

Dan Mathieson appointed Zespri Chief Executive

The Zespri Board of Directors has appointed long-serving Zespri executive Dan Mathieson as the company's new Chief Executive, taking over from Lain Jager with immediate effect.

Zespri Chairman Peter McBride says Dan has an impressive track record over his 15 years with Zespri, with his most recent role as President of Global Sales & Marketing.

"I am confident he will lead Zespri well and deliver growth and increasing value for our industry and shareholders, building on the strong legacy that Lain leaves behind," says Peter.

"In his time leading our sales and marketing operations and offshore markets, Dan has successfully delivered a demand-led strategy, growing mature markets and diversifying into new markets. Our sales and marketing function has developed significantly under his leadership, with an increased focus on consumer insight, distributor and retailer relationships, and marketing excellence," says Peter.

Dan says he is tremendously optimistic about Zespri's future and excited about the opportunities ahead.

"As Chief Executive I am looking forward to helping continue the momentum we have in our business as we work toward increasing global sales to \$4.5 billion by 2025. The growing strength of our Zespri brand underpinned by an unrelenting focus on quality and our strong supplier and customer partnerships provides us with an outstanding

opportunity to rapidly increase demand, increase supply and innovate to sustain and grow returns to growers and shareholders.

"Delivering Zespri's strategy means an increasing focus on our international markets, as we continue to increase demand ahead of supply and expand our 12-month supply business. As Chief Executive I will focus significantly on these elements so I will base myself between our head office in NZ and our sales and marketing hub in Singapore.

"Our industry is the heart of everything we do and I realise the huge importance of working closely with New Zealand growers and industry leaders and I will spend substantial time at Zespri's head office in Mount Maunganui. A strong and empowered New Zealand executive will also play a key role in maintaining these key industry relationships," says Dan.

Around half of Zespri's nearly 500 staff are based offshore and Dan welcomes the opportunity to lead this increasingly globalised team.

Peter notes the extraordinary opportunity ahead to grow year-round demand for Zespri Kiwifruit, maximise the potential of SunGold around the world and continue to grow the Zespri brand.

"Dan's appointment is the logical evolution of Zespri's strategy to grow market demand and create value for customers and consumers, along with growing sustainable returns for Zespri's grower-shareholders.

"This appointment reflects the development of Zespri and the industry over the last five years, along with the continuation of our strategy to market the world's leading portfolio of kiwifruit 12 months of the year. The Board regarded Dan's exceptional international sales and marketing background, together with deep knowledge of our industry and his strong ability to lead diverse groups of people in his

appointment to the role of Chief Executive.

"I would like to acknowledge the outstanding performance of Lain as Chief Executive for the past nine years. His record speaks for itself, managing the challenges and opportunities of growth with volumes doubling under his leadership, alongside growing value for growers and shareholders," says Peter.



(L to R) Zespri Chairman Peter McBride with newly-appointed Zespri Chief Executive Dan Mathieson.

2023 symposium on kiwifruit to be held in NZ

Members of Zespri's Innovation team along with Plant & Food Research representatives attended the 9th International Symposium on Kiwifruit earlier this month in Porto, Portugal. The symposium was held at the same time as the International Kiwifruit Organisation (IKO) annual conference and these two jointly-run conferences bring together scientists, producers and trade customers from all over the world to share knowledge and discuss the main issues facing the kiwifruit industry.

During the conference Zespri Innovation Leader, Science and Innovation, Bryan Parkes and COO of Plant & Food Research, Bruce Campbell successfully pitched for Tauranga, New Zealand to host the 11th kiwifruit symposium in 2023 — how exciting and planning is already underway! As well as the usual scope of kiwifruit research the New Zealand based symposium will consider a special focus on biosecurity, health and nutrition.



Scientists from all around the world, including Zespri and Plant & Food Research shared their knowledge on kiwifruit at the International Symposium on Kiwifruit held in Portugal last week.

Fun, warmth, authenticity and charm at Asia Fruit Logistica



Another awesome stand at this year's Asia Fruit Logistica encourage customers to sample Zespri Kiwifruit and catch up with key industry members.

The Zespri team in Asia has once again wowed customers at this year's Asia Fruit Logistica trade show in Hong Kong. The team always puts on an awesome stand and this year the emphasis was on celebrating the 20th anniversary and reinforcing the Zespri brand vision of 'making life delicious'. Chief Executive Dan Mathieson said that the booth and staff really demonstrated Zespri's personality—fun, warmth, authenticity and charm, as well as Zespri's leading position in the fruit basket to trade.

"I was really proud to be able to meet with our key stakeholders and in such a special and inviting Zespri environment", commented Dan. This important show is great chance to catch up with key industry people and plan for the season ahead.

Customers and fruit industry people had fun and a chance to catch up at a DIY cotton candy station this year, as well as enjoying the festival atmosphere with mocktails and finger foods.

From the Markets

Brazil

A new ad campaign has been launched online and offline in Brazil to emphasis just how delicious Zespri SunGold is. Under the tagline "a fruta mais querida" (the most beloved fruit) the campaign features consumers' reactions to SunGold.

The amazing taste of Zespri Kiwifruit then prompts them to immediately share their experience on social media – something we see a lot of on Zespri's fanpage!

The ad shows an actor interacting with the kiwifruit emoji and will air for two months. With formats adapted for social media, TV and monitors in elevators of commercial and residential buildings, it's estimated to reach 20 million people.



Mexico

Zespri's Mexico team celebrated the start of the school year with special packaging and in-store activities targeted at kids. Over 100 stores took part in activities including cooking shows, competitions for Zespri prizes and sampling, with Walmart reporting a great result in sales. Overall a huge success!

As growers will be aware, Mexico was struck by a devastating earthquake on 19 September. Zespri was hosting a grower tour to Mexico and North America from New Zealand at the time, as part of a periodic programme of tours to see how kiwifruit is being marketed in key locations. The group of 26 growers arrived in Mexico City just before the earthquake struck. We are hugely grateful to Zespri's Market Development Manager for Mexico, Ines Masallach, and her team, who provided amazing support to the grower group.



Zespri's Mexico team making back to school cool.

China

Zespri's team in China launched a digital campaign last month to strengthen consumer relationships with Zespri's brand. The team hired celebrities and mums in a documentary-style video to create an emotional connection with the consumers by focusing on the multiple roles mums play in households. The key message of the documentary is "Zespri empowers you to embrace every wonderful moment with health and vitality".

To engage with consumers in the "real world", the team also used metro LED screen with capture the movement of passers-by.

With online media promotion and key online endorsement, the video and the whole campaign reached around 400 million impressions from mid-August to early September.



Examples of China's digital campaign marketing.

Japan

Zespri announced this month that we would once again sponsor the 'Gold Ribbon Campaign'. Zespri has sponsored this campaign run by the Korean Society of Coloproctology for the past four years, in order to raise awareness of the importance of dietary habits in alleviating intestinal problems.

Zespri will offer kiwifruit sampling for people attending the lectures that take place at Korea's 50 largest hospitals. These lectures focus on how to prevent and to manage colon disease and maintain intestinal health.

Zespri's global marketing strategy



We have a great opportunity to hear from General Manager of Global Marketing, Jiunn Shih about Zespri's marketing strategy. Jiunn is visiting New Zealand in October and will be taking the opportunity to speak with both staff and with growers about how Zespri is working to sell more trays and build the Zespri brand.

Jiunn's presentation to growers will be on Thursday **19 October** from **10.30am – 11.30am**, held at the **Club Mount, 45 Kawaka St, Mount Maunganui**. It will also be streamed live on the Canopy website.

There are limited places to attend in person. Please RSVP to events@zespri.com by Thursday 12 October if you would like to join us.

Organic tour of North America



Global Marketing Manager - Organics Alice Moore and grower Mark White on their tour of North America.

Earlier this month Global Marketing Manager Alice Moore and organic grower Mark White toured around the North America market, visiting retail stores, distributors and customers to learn more about the organic category in the US.

Alice explains that "it's been a great opportunity to connect our growers with what's happening in the biggest organic

market in the world." The Zespri team was thrilled to kick off the tour by hosting Alice and Mark at the North America office in Southern California. The team then headed to Northern California which is considered the 'birth place of organics' in the USA to visit a local organic kiwifruit grower, two of our distributing partners and found time to visit some of the spectacular natural sites.

Zespri Director visits Japan and China

Director Paul Jones has been spending time with Zespri's Japan and China teams looking at orchards and the different projects our teams are working on. In Japan, Paul visited SunGold orchards in Miyazaki, Japan where the first harvest is planned next month and attended the team in Japan's mid-season review meetings.

Paul's next stop was China where he saw the progress of Project Bamboo and experienced first-hand the working environment offshore. He visited the new Yangling office in Shaanxi, saw the progress being made on a number of the Zespri trial sites, tasted Chinese red kiwifruit and visited the Sichuan Provincial Academy of National Resource

Sciences (SPANRS) research station where some promising new varieties are being developed.

One interesting feature of growing kiwifruit in China is bags that you often see over kiwifruit on the vine. The vines are a breeding block so they are never sure when the fruit is ready to harvest. The breeders put bags around the kiwifruit to catch any that fall so the seeds in the fruit can be linked back to each vine. Otherwise if the fruit fall on the ground there is no way of knowing which vine they came from. Chinese growers also bag each individual fruit when growing commercially, to prevent skin stain. This is done immediately after pollination. Each bag has to be removed at harvest time.



Zespri's Japan team showing Director Paul Jones around the orchards and attending the mid-season review meeting.



Paul with Zespri Technical Development Officer - China, Samira Tang checking out soil quality.



Paul with the team in China.

Grower Services

There have been a few changes in faces and responsibilities across Zespri's Grower Services team so it is time to update growers on the changes and explain what each of the functions do and who are the key Zespri staff for growers to contact with their questions.



Tracy McCarthy.

Previously there were two grower facing teams: the Grower Liaison Team and Grower Support Services (previously known as the Grower Contact Centre). With Neill Malcon indicating he will retire at the end of 2018, these two teams have now been combined and report through to **Tracy McCarthy** as the Grower Services Manager. While these are two separate teams, we consider ourselves to be one unified grower interfacing team and there are many functions that run across both teams but delivered in a different way. The key people in the combined team are below.



Neill Malcon.

Neill will continue to contribute and mentor the wider Grower Services Team and reports directly to the General Manager of Grower and External Relations. He will do this in the capacity of a newly-created role that will allow him to focus on a number of projects while maintaining his strong links to growers. These include continued involvement in the new cultivars area, handing over his deep knowledge and extensive networks to his successors and supporting the business through key changes such as the upcoming industry discussion around improving grower ownership of Zespri.

Grower Liaison Manager Team (GLMs)

This team is the face of Zespri. The GLMs have appointed regions and every orchard has its allocated GLM who act as the grower's account manager and deal with all matters that could affect growers and advocate on growers' behalf. The Grower Liaison team is supported by **Sue Galpin** in the role of Grower Services Analyst who is the financial specialist for the team and industry statistics. **Jenny Beirne** joined the team as maternity cover last year in the role of Grower Services Coordinator. Jenny ensures the team runs smoothly and plays a big part in the administration of the new variety programme.

The Grower Liaison Managers are:



Tom MacMorran.

Industry Liaison Team Leader. Tom has been with Zespri for three years. Before working for Zespri, Tom held an orchard management position on a Bay of Plenty kiwifruit orchard to add to his past horticulture experience across multiple industries, including his experience working on his family orchard. Tom was appointed Team Leader of the Grower Liaison Manager team in August this year. Tom will take on similar responsibilities to Neill's previous role of Industry Liaison Manager and also manage the grower-interfacing activities around pre-commercial trials and our breeding programme. While Tom will be focussing on the team's engagement with growers, he will retain some responsibility of the growing regions Te Puke, Northland and Auckland. You can reach Tom on 027 511 2005.



Sue Groenewald.

With 13 years' experience under her belt with Zespri and various roles during her time at Zespri, **Sue** has a deep knowledge on how Zespri and the industry works. Any issues or questions that growers may have can always be dealt with by Sue who will usually solve the problem herself or know exactly where to go to in order to find the answer. Sue's regions are: Katikati, Waihi, Coromandel and Nelson. Contact Sue on 027 493 1987.



Sylvia Warren.

Sylvia has been with Zespri for eight years and over this time has worked in the Technical Team as the Crop Protection Advisor, Share Registry Officer and Licence Coordinator. Sylvia's experience with Zespri means she knows where to go to in the organisation to get answers and solutions for growers. Sylvia manages south of Te Puke, Whakatane, Opotiki, Gisborne and Te Kaha. Contact Sylvia on 022 101 8550.



Jane Ritchie.

Jane looks after North Te Puke, Tauranga, Waikato, Hawke's Bay as well as the Wanganui region. During the 10 years Jane has been with Zespri, five years has been as a Grower Liaison Manager and before that Jane was the Licence Coordinator in the Grower Support Services team for five years. You can reach Jane on 027 511 1056.

Grower Support Services Team

The Grower Support Services Team has been rebranded from the Grower Contact Centre as the function of this part of the business is so much more than a contact centre now days.

They manage and administer:

- Provide support to growers via the 0800 number and Contact Canopy for all queries that growers and the rest of the industry may have
- All orchard and grower data and associated relationships such as pest monitors, spray contractors, orchard managers;
- Zespri Plant Variety Licences
- Shares
- The Canopy website and the Industry Portal
- Annual registration of orchards and growers
- Annual Supply Agreements
- Support for Spray Diary
- Loyalty contracts
- Notification of hail claims



Vanessa Duffy.

Vanessa Duffy is the **Grower Support Services Team Leader** managing the entire Grower Support Service Centre function. Vanessa has been with the Grower Services team for 10 years and has held various positions within the team during this time.

When you ring Zespri's support number - 0800 155 355, anybody from the team can help with your query, thanks to team training. However, there are team members that have areas of expertise and so, you might want to ask for them by name.

Katie Benjamin is the Licence Manager and oversees the activities of the five Grower Support Services team members below and is also available for any queries or problems growers may have.

General queries should be directed to:	Licence queries should be directed to:
Tamara Dolman	Milly Denzel
Erica Ross	Brooke Maclean
	Stacey Baldock



Rosie Sim.

Share queries

Share queries are handled by **Rosie Sim**. With share trades rapidly increasing and the constitution changes that KISP has bought about to share ownership, Rosie is 100 percent dedicated to shares. Rosie works closely with Computershare and the Registered Unlisted Brokers.

Jo Watchorn is Zespri's Digital Communications Coordinator, responsible for all the updates to the Canopy website and social media platforms. For any online suggestions, please contact Jo directly on jo.watchorn@zespri.com.

We are here to help so don't hesitate to call either your Grower Liaison Manager or any of the Grower Support Services Team at any time (0800 155 355). Alternatively you can email us on contact.canopy@zespri.com.

If you have any feedback on our service or ideas of ways in which we can serve you better then give us a call.

Note: A regional map will be provided in the next *Kiwiflier* showing the regions the GLM's support.

Zespri Industry Portal

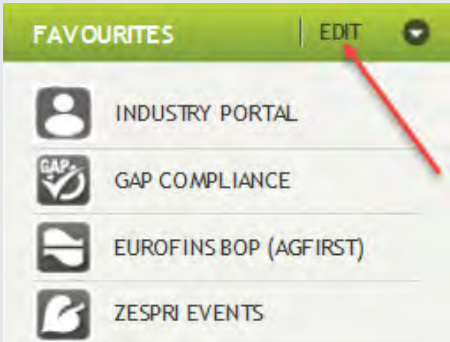
It's registration time again

The 2018 KPIN and grower registrations will be issued mid-October and growers are encouraged to complete these online, through the Zespri Industry Portal. A link will appear on your portal showing you when to complete your registration.

What is the portal?

The portal is a window into Zespri that holds all the current information relating to your orchard. As in previous years, growers are encouraged to complete the registration forms and submit before Christmas 2017 – even if there are no

changes to your details, you are still required to submit your form to Zespri. At any time growers can request updates of any information that Zespri holds about them through the portal and these will be processed within 24 hours. Growers can access the Zespri Industry Portal by using their Canopy username and password - no additional login is required. To access the portal navigate to Canopy > Zespri & The Kiwifruit Industry > Tools & Calculators > Zespri Industry Portal, or you can add this to your Canopy Favourites:



KPIN registration block information – as no block information is captured on this registration form, growers should check that the correct block information for their orchard is updated in their Spray Diary. If you are unable to complete the forms online or you wish to update block information, please contact your post-harvest facility or Zespri Grower Support Services on 0800 155 355 or email contact.canopy@zespri.com.

Bactericides

There have been some minor changes in the Crop Protection Standard for bactericides in the 2017-18 season. However, the main points for this season remain unchanged:

- KeyStrepto is still removed from the Crop Protection Standard
- Kasumin is still limited to one application for the season.
- Kasumin is approved for use from the start of budphase until three weeks before the start of flowering.
- Applications of KeyStrepto and/or second applications of Kasumin may be considered under a Justified Approval in extenuating circumstances.
- Below are the requirements for a bactericide application for the 2017-18 season:**
- Consult the KVH Psa Risk Model to determine if Psa risk on your orchard justifies a bactericide application (i.e. severe/ prolonged moderate risk).
 - If you are intending to use KeyStrepto or a second Kasumin application, complete a Bactericide Justified Approval (JA) form.
 - Complete the Orchard Psa IPM Strategy (OPIS) Form for each KPIN variety.
 - The orchard must be prepared for spraying.
 - Managing open flowers in the orchard
 - Notifying neighbours/beekeepers
 - Mitigating risks to livestock
 - All nozzles and suitable adjuvant are used
 - An Intent to Spray form must be completed five days before spraying.
 - All orchards will be subject to random audits
 - Application details must be documented on a Site Inspection Record prior to and after the application. The Site Inspection Record can be found in the Kasumin and KeyStrepto User Guides.
 - All bactericide applications must be recorded in the Spray Diary within seven days of the application date.

What is sclerotinia?

Sclerotinia is a fungal infection that can cause significant damage to growers' fruit and income. In kiwifruit, it is the main cause of diseased fruitlets, fruit scarring, field rot and can also cause bud drop and flower blight. Losses from these infections can be severe in some orchards. Gold3 and Green14 are both moderately-to-highly susceptible.

Sclerotinia lives in the soil and when conditions are suitable (which typically coincides with flowering), millions of spores are released which can infect the flower. Under very warm or wet conditions, this infection can be severe, resulting in rots.

How do I minimise infection?

Growers are encouraged to develop their sclerotinia strategy now using cultural tools such as:

- sward management and
- maintaining open canopies

Both these have proven to be extremely effective but may require some forward thinking.

Sward management fundamentally requires growing the grass under the canopy long and mulching immediately before flowering. This effectively provides a 'blanket' of grass over the ground that restricts the spores from reaching the flowers. Be aware however that leaving the sward long will increase the number of nectar-bearing flowers which will attract bees. Thought must be given to the possible use of other agrichemicals that may be used before flowering that have specific requirements to eliminate flowers prior to applications (i.e. Mesuro/Kasumin). If these types of products are used, then it may not be possible to grow sward to the length required.

Access to sunlight and air movement by maintaining light and airy canopies are also important cultural tools to minimise fungal infection. Developing open canopies by choosing moderate vigour cane in winter and managing excess vigour in summer will help lower potential infection.

Agrichemical Options

The Zespri Crop Protection Standard provides agrichemical options for growers wishing to choose this option. A pre-flowering application of Luna Privilege has proven to be effective, and eliminates beekeeper concerns of sprays applied during flowering. There are other effective agrichemical options that may be applied during the flowering period, but these applications should be avoided within 48 hours of using supplemented pollination and should be discussed with your beekeeper.

More information on sclerotinia control can be found on the Canopy:

- Kiwitech Bulletin N12 – Sclerotinia
- KiwiGreen Factsheet - Sclerotinia

Spring brings Psa symptoms



As spring sap flows and vines come out of winter dormancy, Psa symptoms become increasingly visible.

Spring is a high-risk season for Psa, and growers (particularly those on early sites) are recommended to monitor vines to understand how the disease is unfolding on their orchards.

Focus on susceptible plants and areas, paying attention to places where application of a full Psa spray programme has been compromised due to difficult or impossible ground conditions through the autumn and winter period. Be sure to remove infected material promptly to reduce the risk of Psa spread.

Throughout spring, growers should focus on minimising leaf spot and flower bud infection, and maintain copper cover, including Actigard™ and considering CPPU products.

Early reports from the Bay of Plenty, Franklin and Gisborne regions indicate some Gold3 growers are seeing active cankers with incidence more widespread than last year. More symptoms have been reported for M91 males. Some Waihi, Waikato, Whanganui and Hawkes Bay growers have reported symptoms extending across both male and female Gold3 vines. A photo gallery can be viewed on the KVH website.

A reminder to growers to make use of the online Psa-V Risk Model to help identify

upcoming risk periods and to assist with the timing of protective sprays. The Psa-V Seasonal Management Wall Chart 2017-18 (included in last month's *Kiwiflier*) is also a handy reference tool. A key feature of the chart is the KVH Recommended Product List, which sets out the approved products for protection against Psa, their year-round application rates, and permitted use periods.



Psa symptoms on orchards in Whanganui and Waihi.



Spring field days – updated orchard locations

Spring is always busy and the decisions you make on cropload, pollination and early season canopy management can be the difference between a good result and a poor one. As an industry, we continue to invest in trials and innovation research to help you with your orchard management decision making. The latest research points to flower quality, optimal pollination and canopy management being as critical in Gold3 as it is for Hayward and Hort16A.

If your goal is to improve dry matter and harvest a more consistent crop, come along to an OPC orchard field day to talk with other growers about what this latest research means for your orchard management plan this spring. The content of the OPC field days is relevant to all growers and varieties. Organic growers should attend the field day closest to them.

Tea and coffee available from 9am and in Edgecumbe from 2pm.


Date	Region	Site	Timing
Thursday 5 October	Gisborne	Bryants, 71 Tiniroto Road, Patutahi	9:30am – 11:30am
Friday 6 October	Hawkes Bay	Haumoana Estate, 16 Haumoana Road, Hastings	9:30am – 11:30am
Tuesday 10 October	Te Puke	Coastal Gold Orchard, 52 Dudley Vercoe Drive	9:30am – 11:30am
Tuesday 10 October	Edgecumbe	118A MacDonald Rd, Awakeri	2.30pm – 4:30pm
Wednesday 11 October	Opotiki	Thornton Orchard, 170 SH 35, Opotiki	9:30am – 11:30am
Thursday 12 October	Tauranga	Te Puna Orchards, 359 Snodgrass Road, Te Puna	9:30am – 11:30am
Friday 13 October	Katikati	KW Kiwi, 157 Ongare Point Road	9:30am – 11:30am
Monday 16 October	Waikato	Kalwa Partnership, 303 Old School Road, Ohaupo	9:30am – 11:30am
Tuesday 17 October	Kerikeri	Kahikatea Farm, 60 Jennings Road, Kerikeri	9:30am – 11:30am
Tuesday 17 October	Whanganui	Cooper Packhouse, 24 Riverbank Road	9:30am – 11:30am
Wednesday 18 October	Whangarei	Stoneloch Orchards, 53 Mannington Road, Maungatapere	9:30am – 11:30am
Wednesday 18 October	Nelson	91 College Street, Motueka	9:30am – 11:30am
Thursday 19 October	Auckland	Karaka Orchard, 562 Kingseat Road, Pukekohe	9:30am – 11:30am

(Including Loyalty Premium)


Actual payments made YTD are above the dotted line with the average amount paid.

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

- Submit is paid in the early months when fruit is submitted into inventory.

Zespri Green14									
	ISO Month	Submit	Pack and Time	KiwStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBs TE	% of Pool Paid YTD
	Apr-17	\$2.80	\$0.11					\$2.91	34%
	May-17		\$0.10					\$0.10	35%
	Jun-17		\$0.01					\$0.01	35%
	Jul-17			\$0.71	\$0.68			\$1.39	51%
	Aug-17			-\$0.05	\$0.68	\$0.18		\$0.81	61%
	Sep-17		\$0.00	-\$0.01	\$0.28	\$1.03		\$1.31	76%
<hr/>									
	Oct-17		•	•		\$0.83		•	•
	Nov-17		•	•	•	\$0.07		•	•
	Dec-17		•	•	•	•		•	91%
	Jan-18						\$0.10	•	•
	Feb-18					•		•	•
	Mar-18					•		•	96%
	Apr-18					•		•	•
	May-18					•		•	•
	Jun-18						\$0.15	•	100%
	Paid YTD	\$2.80	\$0.22	\$0.65	\$1.65	\$1.21	\$0.00	\$6.53	
	Balance to pay	\$0.00	\$0.00	-\$0.06	\$0.41	\$1.51	\$0.25	\$2.10	
Total fruit and service payments - 2017/18 forecast								\$8.63	

- 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.
- Progress will be paid in the remaining months at levels subject to Zespri Management approval.
- Average payments per TE are based on the 2017/18 August forecast 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.

Zespri Gold3 and Organic Gold3										
	ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOB\$ TE	% of Pool Paid YTD
	Apr-17	\$2.80	\$0.17						\$2.97	22%
	May-17		\$0.13						\$0.13	23%
	Jun-17		\$0.19						\$0.19	24%
	Jul-17		\$0.05	\$0.00	\$0.94	\$0.89			\$1.88	38%
	Aug-17		\$0.29	\$0.19	\$1.47	\$0.33	\$0.02		\$2.30	55%
	Sep-17		\$0.44	\$0.01	\$1.79	\$0.20			\$2.43	73%
	Oct-17		•	•	•	\$0.61			•	•
	Nov-17		•	•	•	\$0.25	•		•	•
	Dec-17		•	•	•	•			•	92%
	Jan-18							\$0.10	•	•
	Feb-18					•			•	•
	Mar-18					•	•		•	97%
	Apr-18					•			•	•
	May-18					•			•	•
	Jun-18							\$0.15	•	100%
	<i>Paid YTD</i>	\$2.80	\$1.27	\$0.19	\$4.20	\$1.42	\$0.02	\$0.00	\$9.90	
	<i>Balance to pay</i>	\$0.00	-\$0.01	\$0.30	\$1.08	\$1.95	\$0.01	\$0.25	\$3.58	
Total fruit and service payments - 2017/18 forecast									\$13.49	

Briefs

Share Briefs

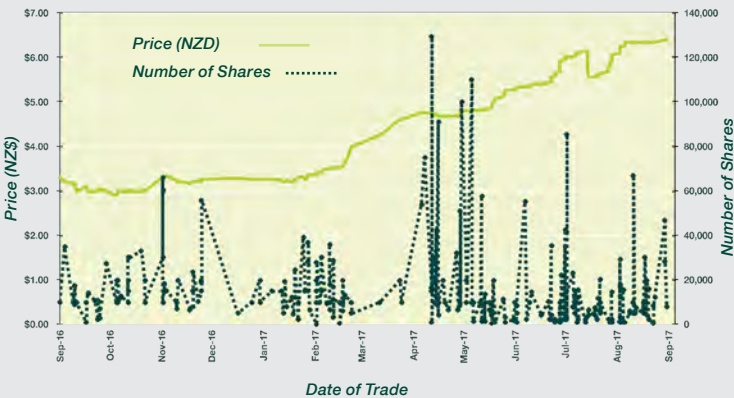
As at **27 September 2017** the last Zespri share price trade was **\$6.40** traded on **26 September 2017**. There were two buyers at **\$6.35**. There were three sellers at **\$6.42, \$6.44** and **\$6.45**.

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 Zespri Grower Support Services 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.

Zespri Group Limited Share Trades - 27 September 2016 to 27 September 2017



- 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 – to see the parcels of shares for sale and the parcels and price that buyers are seeking
 - Last 10 trades
 - Market announcements

Below is the current Market Depth information as at **27 September 2017**.

Quote Line at Wednesday 27 September as at 9.30am								
Code	Bid (\$)	Offer (\$)	Last (\$)	At	High (\$)	Low (\$)	Volume	Value (\$)
ZGL	6.350	6.420	6.400	26/09/17 9:33	-	-	0	0.000

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	5,000	6.350	6.420	2,000	1
1	3,000	6.350	6.440	4,000	1
			6.450	4,000	1

Last 10 Trades				
	Date/Time	Quantity	Price (\$)	Value (\$)
	26/09/17 9:33	8,000	6.400	51,200.000
	25/09/17 14:01	28,220	6.400	180,608.000
	25/09/17 10:34	46,800	6.400	299,520.000
	19/09/17 12:12	12,290	6.350	78,041.500
	18/09/17 15:17	8,510	6.350	54,038.500
	18/09/17 12:03	380	6.350	2,413.000
	18/09/17 12:00	1,000	6.350	6,350.000
	15/09/17 15:43	2,000	6.350	12,700.000
	15/09/17 15:40	2,000	6.350	12,700.000
	15/09/17 10:31	16,000	6.350	101,600.000

Director share trading

For the month of September (as at **27 September 2017**), there were **42,360** 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.

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 is 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.

October 2017 Approved Progress Payments on Net Submit Trays

Approved per tray progress payments for 13 October 2017:

Class 1	
Zespri Green	\$0.18
Zespri Organic Green	\$0.72
Zespri Gold	\$0.64
Zespri Gold3 & Organic Gold3	\$0.61
Zespri Green14	\$0.83

November 2017 Indicative Progress Payments on Net Submit Trays

Indicative per tray progress payments for 15 November 2017:

Class 1	
Zespri Green	\$0.29
Zespri Organic Green	\$0.66
Zespri Gold	\$0.32
Zespri Gold3 & Organic Gold3	\$0.25
Zespri Green14	\$0.07

Orchard Gate Return

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

2017/18 Season Return Analysis

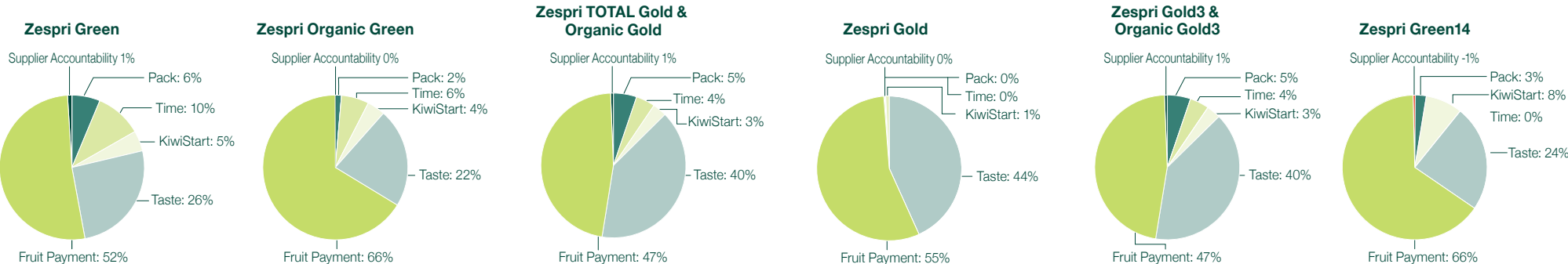
Class 1 - Approved Progress Payment 13 October 2017	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.18	\$0.15	\$0.20	\$0.15	\$0.25	\$0.25	\$0.05
Zespri Organic Green	\$0.72	\$0.05	\$0.50	\$0.75	\$0.85	\$0.85	\$0.70
Zespri Gold	\$0.64	\$0.45	\$0.65	\$0.70	\$0.75	\$0.60	No Supply
Zespri Gold3 & Organic Gold3	\$0.61	\$0.05	\$0.80	\$1.00	\$0.70	\$0.50	No Payment
Zespri Green14	\$0.83	\$0.90	\$0.90	\$0.95	\$0.75	\$0.75	\$0.65

Class 1 - Indicative Progress Payment 15 November 2017	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.29	\$0.05	\$0.30	\$0.35	\$0.40	\$0.40	\$0.10
Zespri Organic Green	\$0.66	\$0.40	\$0.70	\$0.85	\$0.55	\$0.55	\$0.35
Zespri Gold	\$0.32	\$0.25	\$0.35	\$0.35	\$0.35	\$0.25	No Supply
Zespri Gold3 & Organic Gold3	\$0.25	\$0.05	\$0.30	\$0.40	\$0.30	\$0.30	No Payment
Zespri Green14	\$0.07	\$0.10	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05

- 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.

2017/18 Season Grower Payments Portions - Total Fruit and Service Payments

2017/18 - August Forecast





Buzzing about the recent beekeeper event

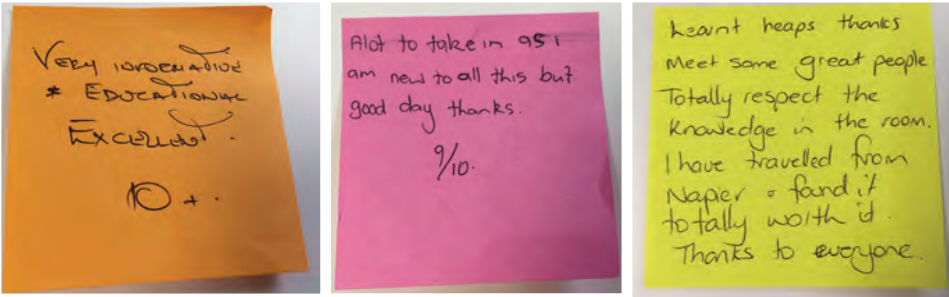


Earlier this month Zespri hosted an event for kiwifruit beekeepers. The aim was to share information between the beekeeping and kiwifruit industries and strengthen relationships with this important group of stakeholders.

Topics covered included the importance of pollination to the kiwifruit industry, the bee-flower-fruit relationship, beehive standards and why we have them, beehive auditing, bee safety in terms of agrichemical usage and more. Such a lot of topics meant

it was a full day and gave rise to some great discussion and networking – watch out for an event summary which will be published on the Canopy soon.

It was a good opportunity for beekeepers to get together and they voted with their feet – we had a great turnout of 56 beekeepers attending. After the meeting we asked the attendees for feedback which confirmed it was a success – we received an average rating of 9/10 and some great comments.



Controlling scale on your orchard

Scale insect populations build up slowly but steadily. They are slow to get out of control, but once they hit a certain point, they can be difficult to bring back down. In kiwifruit there are typically two scale generations a year. Mature scale insects on the vine wood begin to produce crawlers in the spring, giving rise to a first generation from approximately October to January. The second generation occurs from around early February to harvest with crawler production peaking around March to April. It is scale from this second generation that result in most infestations on fruit.

Best practice scale control is all about keeping the numbers of scale on the vine low so that they don't build up to pest proportions. If your packhouse reported a building scale problem this past season, it may be wise to include scale management in your spring management program this year.

A recent Plant & Food Research contracted trial has shown that the addition of Du-Wett to a spray of Movento 100SC can significantly improve scale control. To ensure maximum efficacy, it may be prudent to ensure the only other product combined with the Movento + DuWett is a leafroller spray. Movento is a systemic product so its efficacy is not dependent on applying close to flowering.

Mitigating bird damage

As spring approaches, growers should be vigilant around the effects birds can have on new season growth. Bird damage can be significant and happen extremely quickly so growers must consider carefully how to manage this problem. Cultural methods are encouraged including the use of bird scarers, kites, bangers and clappers, however growers must adhere to council noise bylaws.

Bird repellent sprays are an option, however these products must always be used with caution. Mesurol 200SC is now only allowed under Justified Approval. Justified Approval forms are available on the Canopy.

Before to each application of Mesurol 200SC, growers must ensure:

- Flowers in the sward are removed.
- Mesurol must not be applied directly to the shelterbelts.
- All nozzles and a drift reducing adjuvant must be used.
- You must notify your neighbours at least 12 hours before use.
- Nearby beehives must be covered or removed until the product has dried.
- Spray in the morning or late in the day when bees are not actively foraging.

Due to the nature of Mesurol, Zespri is actively looking for alternatives to replace it. Growers wishing to use alternative bird repellent products can apply for a Justified Approval (JA).

For more information regarding managing bird damage, please refer to the Kiwitech Bulletin N77 – Bird Damage Control on the Canopy.

Key focuses
October

Counting & Thinning

Pollination

Canopy

Taste

Stay Healthy

Remember to check out the 'Month Ahead' pages on the Canopy which are full of information to think about for the upcoming month. Having the information on a page of the Canopy means we can include links that will direct you straight to further information and/or tools rather than you having to use the search function. The October Month Ahead page can be found at Canopy > growing kiwifruit > The month ahead > The month ahead: October.

Thinning
TIPS & TRICKS

We've heard all sorts of rules of thumb about how to give clear, simple instructions to staff on flower bud thinning. Below you can find a selection of the best tips to get your message across in a way anyone can understand.

Set up a perfect bay as an example for training

Constant monitoring is key - use feedback signals to let them know to remove more/less

Put a stake in the ground to set targets to reach before smoko time

Confident with your numbers and have lots of flowers to remove quickly?

Explain shoot removal relative to their position on a clock (eg. unders could be all shoots between 5 o'clock to 7 o'clock)

Remove any cane smaller than pencil thickness, or thinner than a little finger

Give a simple instruction for required distance between shoots to be kept, eg. the length of a fist or the width of an open hand



Do you need to remove individual flowers on a shoot?

Fruit to leaf ratio is easy to understand, eg. one fruit per leaf, two more leaves than fruit etc

Parts of your hand (width, length or number of fingers) can be used as a rough guide to measure shoot length. Eg, 4 fingers wide = 4 fruit on the shoot

Brazilian Wilt Are we ready?



Recent media coverage has highlighted a plant disease of real biosecurity and conservation concern to New Zealand.

Radio NZ initially covered the topic, explaining how the disease called ‘rapid ohia death’ is wiping out native trees in Hawaii and could spread throughout the Pacific with potentially major impacts to our native pothutakawa species.

The fungus causing the plant disease is *Ceratocystis fimbriata* - or Brazilian Wilt as the kiwifruit strain is more commonly known - one of "KVH's Most Unwanted". This soil-borne fungus causes severe damage to kiwifruit orchards in Brazil, which have suffered up to 50 percent vine loss over the last five years. There is no known treatment available.

If the pathogen was to arrive in New Zealand it could establish and result in 10-30 percent vine loss per year on infected orchards. We know that vine death can occur very rapidly following infection, with Hayward or Bruno rootstock appearing to be the most affected.

KVH has made significant progress towards ensuring we are prepared to manage this major threat, including the completion of a Brazilian Wilt Readiness Plan in May.

Readiness plans are developed under Government Industry Agreements (GIA) in partnership with the Ministry for Primary Industries (MPI), and outline exactly how we would respond should organisms be detected in New Zealand. The Brazilian Wilt plan also details knowledge gaps and research needs that will be funded and addressed by KVH and Zespri. A copy of the plan and a fact sheet are available on the KVH website.

KVH and Zespri are also funding development of diagnostic tools so that we can test infected vines and undertaking pathogenicity testing to determine how susceptible our kiwifruit cultivars are to the strains in Brazil. KVH has also been in discussions with lead researchers in Hawaii to arrange similar trials to determine if kiwifruit is susceptible against those strains also.

Last December an industry simulation was held to test our Brazilian Wilt readiness plan which demonstrated that our best chance at eradication is to detect it early in a contained location. As we don't know how long it takes for symptoms to develop from the time of infection (months or years), containment of a pathogen that we cannot see is only feasible if the industry follows biosecurity best practice always – source clean plant material, check and clean everything that enters your orchard, and report anything unusual.

Note that soil borne pathogens spread in infected soil as well as plant material, so in addition to usual on-orchard practices, take extra care that people or machinery from offshore (and especially Brazil or Hawaii) are not bringing soil into your orchard.



Brazilian Wilt (*Ceratocystis fimbriata*) on a kiwifruit vine.

Industry Supply Group (ISG) meeting September

The main agenda items discussed were as follows:

- Labour compliance
- Maturity review
- Buffer store update
- Market/quality/operational updates

The next meeting will be held on the **Thursday 19 October**.

Grower roadshows

Zespri's grower roadshows are an opportunity to meet and hear from new CEO Dan Mathieson on this season and the outlook for our industry and an update on the October forecast for the 2017/18 season. These roadshows will also focus on the Special Meeting of shareholders in March and proposed changes to the Zespri Constitution: strengthening alignment between shareholding and production.

Date	Venue	Time
Friday 17 November	Nelson Top 10 Holiday Park, 10 Fearon Street, Motueka	11:00am – 1:00pm
Monday 20 November	Hawke's Bay The Duke of Gloucester, 389 Gloucester Street, Taradale	10:15am – 12:15pm
	Gisborne Bushmere Arms Hotel, Main Road, Waerengahika	5:00pm – 7:00pm
Tuesday 21 November	Opotiki Opotiki Golf Club, Fromow Road, Opotiki	10:00am – 12:00pm
	Edgecumbe Awakeri Events Centre, Edgecumbe	2:00pm – 4:00pm
Wednesday 22 November	Katikati Katikati Rugby Club, Moore Park, Fairview Road, Katikati	10.00am – 12.00pm
	Te Puke The Orchard, 20 MacLoughlin Drive, Te Puke	2.00pm – 4.00pm
	Tauranga Tauranga Golf Club, Cameron Road, Greerton, Tauranga	6.00pm – 8.00pm
Thursday 23 November	Kerikeri The Centre, 43 Cobham Road, Kerikeri	9:45am – 11:45am
	Whangarei A'Fare, 197 Lower Dent Street, Whangarei	1:30pm – 3:30pm
Friday 24 November	Auckland Counties Inn, 17 Paerata Road, Pukekohe	10:00am – 12:00pm
	Waikato Prince Albert, Victoria Street, Cambridge	2:30pm – 4:30pm



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

NZKGI and Mayston Partners present

The Great Grower Debate

Thursday, 26 October 2017 at 6pm, Club Mount Maunganui

Topic: A Bull Market with plenty of opportunity.

All growers and members of the kiwifruit industry are invited to come and watch this great debate!

Spaces are limited. RSVP with the names of your attendees to info@nzkgi.org.nz or call 07 574 7139.

For more information, visit NZKGI.org.nz.

The aim of the debate is to foster conversations among growers on topics of importance to the kiwifruit industry. It is intended as an entertainment event and will be run as a debate following formal debating rules and judged by an expert. It is important to note that the points awarded relate to the skill of the respective teams. In no way is the information presented by either side endorsed by NZKGI or Mayston Partners.



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

NZKGI Supply Agreement training

New Zealand Kiwifruit Growers Incorporated (NZKGI) is excited to offer all growers the option to take part in our Supply Agreement training for the first time – giving participants a stronger understanding of how the kiwifruit industry is structured. Such an opportunity to get detailed information on the Supply Agreement and training designed specifically for people in the industry comes highly recommended.

Here's some feedback from a supply entity which has taken part in the programme. "Thanks for the opportunity to be part of the Supply Agreement training that NZKGI has been

an advocate for. The response from all those that attended the course was consistent – the course was excellent. Personnel learnt a lot with so much making more sense to them now. Marks also to Start Afresh Ltd; their presenters were well prepared and had a high-level understanding of the topics, which they were able to explain in a relaxed manner and in 'plain English'. A remarkable success!"

So if you want to challenge yourself to become a better, more knowledgeable grower – register your interest now by contacting Lynda McCalman (Lynda.McCalman@nzkgi.org.nz) or visit www.surveymonkey.com/r/B37ZLLX

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: If all the fruit is sold by November why are growers not fully paid up by Zespri then?

A1: Although the fruit is sold through to Zespri’s customer, we don’t receive the cash until up to 60 days later depending on the payment terms of the customer. We look at the cash received from sales to determine the flow and timing of cash returned to growers. For example, at the end of August we had paid out around 52 percent of forecast sales in total fruit and service payments (all pools) against around 55 percent of cash received.

We have distributor / customer rebate programs (rebates payable to Zespri’s customers) that are not determined until later in the season when the fruit has been sold through completely. In some markets customer rebates are determined at one point in time (i.e. if a customer sells both green and gold fruit, some customer rebates are settled only once green is sold through). We try and settle these as soon as possible but the final settlements can occur as late as February. These settlements and other costs affect the pool return well after the sales have been made. As these costs affect the pool return they also affect the amount returned to growers as fruit and service payments.

Q2: My orchard has been set up with a lease in Zespri’s system. Due to the Kiwifruit Industry Strategy Project (KISP) process, Zespri has requested a lease agreement for my orchard but I do not have a legally drafted document. Do I have to get a lawyer to draw up a lease agreement?

A2: It does not need to be a legally drafted document. Growers can make — at your own risk — a formal lease agreement themselves. Provided that the following information is included in the lease agreement:

- Landowner
- Lessee
- Property address(es)
- KPIN(s)
- Start and end date
- A price for the lease – this can be any amount, or they can put something like ‘A price to be agreed upon by the parties annually/from time to time’
- Signature of both landowner and lessee

It is also very important that growers return the Declaration form.

Q3: I am seeing increased Psu symptoms in my orchard. Can I use bactericides this season?

A3: Only Kasumin is approved for use from the start of budphase until three weeks before the start of flowering. Applications of KeyStrepto and/or second applications of Kasumin may be considered under a Justified Approval in extenuating circumstances.

Consult the Kiwifruit Vine Health (KVH) Risk Model on their website to confirm the current Psu risk of your orchard justifies a bactericide application (i.e. severe/prolonged moderate risk).

Before making an application, ensure that you:

- Complete an **Orchard Psu IPM Strategy (OPIS)** form
- Prepare your orchard
 - Manage open flowers in the orchard
 - Notify neighbours and beekeepers
 - Mitigate risks to livestock
 - AI nozzles and suitable adjuvant are used
- Submit an **Intent To Spray** form
- Print and complete a **Site Inspection Record** to store with GAP records.
- If you are intending to use KeyStrepto as a second Kasumin application, complete a **Bactericide Justified Approval (JA)** form and send for approval.

All orchards will be subject to random audits. Forms are available on the Canopy website. If you have any queries contact the Zespri Crop Protection Advisor, Melanie Walker on 07 572 6442 or by emailing spraydiary@zespri.com

Q4: What is the Portal?

A4: Also known as Zespri Industry Portal, the Portal is a place for you to see and update all information that Zespri currently holds about you and your orchard/s.

When you log into Canopy, you will find the link to the Industry Portal. To access the Portal, navigate to Canopy > Zespri and the Kiwifruit Industry > Tools & Calculators > Zespri Industry Portal. You will find videos and user guides to assist you with using this tool. You can also add the Portal to your Canopy Favourites.

Kellogg scholarship applications open

Investing in the future leaders of the kiwifruit industry is an important focus for Zespri, so we are sponsoring one person from our industry to attend one of next year’s Kellogg Rural Leadership Programmes.

This is a highly respected rural and primary sector programme, providing knowledge and skills for:

- Personal development and growth
- Developing the 'contextual intelligence' and thinking required for leadership
- Gaining greater insights into the primary industry sector
- Making strategic connections and networks

Many graduates of the programme have gone on to achieve successful careers in leadership roles in New Zealand agriculture.

Applications are open until 16 October 2017. The scholarship recipient can chose to attend

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FOR FURTHER INFORMATION OR FEEDBACK PLEASE CONTACT: THE ZESPRI GROWER SUPPORT CENTRE (0800 155 355)
P.O. BOX 4043, MOUNT MAUNGANUI. TEL. 07-572 7600, FAX 07-572 7646
www.zespri.com www.canopy.zespri.com EMAIL: contact.canopy@zespri.com

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KNZ Independent Directors appointed

The amendments to the Kiwifruit Export Regulations 1999 came into effect on 01 August 2017, and this included changes to the governance structure of Kiwifruit New Zealand (KNZ).

The KNZ Board will now comprise of three grower-elected directors, two independent directors and an independent Chair appointed by the Minister of Primary Industry.

The current grower elected directors and the Chair remain in place, and the Minister has now appointed the two independent directors. They are Tim Main and Neville Harris.

Tim is from Auckland and has had a distinguished career in the finance sector as an economist and has held very senior roles

with the ANZ and BNZ banks in Australia and New Zealand, including Chief Economist for the ANZ Bank in New Zealand

Neville is from Wellington and has a strong legal background and has held senior roles in the Ministries of Commerce and Economic Development, amongst others. This included the statutory officer appointments of Registrar of Companies, Official Assignee for New Zealand, and Commissioner of Patents, Trademarks and Plant Variety Rights.

KNZ believe the skills and experience that these directors will bring to KNZ, combined with the industry knowledge of our grower-elected directors, will enhance KNZ’s ability to carry out its statutory role as a professional independent regulator.



Spreading the word about BMSB

KVH is involved in several initiatives to improve awareness and readiness for the Brown Marmorated Stink Bug (BMSB).

The nationwide effort to keep this pest out continues into the high-risk summer period as we work with the Ministry for Primary Industries (MPI) and other groups across horticulture to implement a comprehensive communications strategy. KVH is co-funding the strategy, which is aimed at lifting public awareness around the damaging impacts of BMSB and will hopefully increase the livelihood of early detection by people knowing what to be on the lookout for, and how to make reports to MPI.

Several engagement channels are being used this season, including videos featuring the ‘Bug Man’ Ruud Kleinpaste and industry champions. There will be full page advertising throughout the high-risk period in gardening, grower and industry magazines.

Digital advertising will be increased this year. Ads will run on the TVNZ and ThreeNow on demand television services, and YouTube.

There will also be ads on the Stuff, NZ Herald, TVNZ and Three websites.

Screens at Auckland, Wellington, Christchurch, Dunedin and Queenstown airports will feature BMSB images and messaging targeted at international travellers. KVH and other groups involved in the communications strategy will also be engaging with the wider general public – everyone from garden centre staff and customers, to backpackers and motels, freight companies, students and schools.



Distinguishing features of the BMSB, a bug about the size of a 10 cent coin.

Focus on You - Woman in Kiwifruit breakfast

SAVE THE DATE - 21 NOVEMBER

Come along and discover new perspectives and tools to enrich your understanding of who you are and how to better engage in both personal and work situations on your terms.

This event is an opportunity to gain insight into the behaviours, preferences and needs that drive us all to be what we are. Then taking this knowledge to build your personal brand, starting with learning how to craft your own story.

Adrienne Calder, an Organisational Psychologist

will take us on a journey to help better understand ourselves and others from both an emotional and rational perspective.

Louise Beard, a Brand Insight and Strategy expert will run an interactive session on how to build your personal story.

We know that not everyone can make it to Mount Maunganui, so we'll live stream this event. A great reason to invite someone over and share this session with them.

Women in kiwifruit

invite • include • inspire

either course:

Course 1: 23 January - 4 July 2018

Course 2: 19 June - 22 November 2018

Last year’s recipient was Baygold Orchard Manager Matthew Nelson, who heard about the course from a friend, “A friend of mine completed the Kellogg course and said I’d be silly not to apply for it, so I decided to give it my best shot,” says Matt.

Matt says one of his career goals is to help grow the future of Baygold Orchards. He will help the younger members of the Baygold team complete their PITO studies and he would love to become a senior orchard manager within the next three years. He also says that after winning the Bay of Plenty regional award last year, he would love to be the first horticulture business to win the national Ballance Farm Environment Awards.

For more information visit www.zespri.com/scholarships.



IMPLEMENTING THE KIWIFRUIT INDUSTRY STRATEGY PROJECT



COMMUNICATIONS AHEAD OF THE ZESPRI SPECIAL MEETING OF SHAREHOLDERS

At the end of August, Zespri wrote to all growers and shareholders outlining the consultation process and timeline leading up to a Special Meeting of Shareholders on 14 March 2018. As a result of changes to the Kiwifruit Export Regulations Zespri is now able to propose a number of amendments to its constitution that are designed to reduce non-alignment over time.

Over the next few months, you will see more communication from Zespri to provide the information growers and shareholders need to consider the changes, understand the implications and be informed to vote in March. We are committed to a fair process that is respectful to shareholders, with proposed changes coming into effect over a number of years.

The timeline below outlines the key communications ahead of the Special Meeting in March. In addition to this, Zespri will feature regular content on the KISP-related changes in the *Kiwiflier* each month.

This month, we focus on three aspects and implications of the planned amended Zespri constitution:

- 1. The 'Landowner Priority Rule';
- 2. Lessees share and voting entitlement and
- 3. The importance of alignment between the entity that owns the orchard and the entity that owns Zespri shares.



THE LANDOWNER PRIORITY RULE EXPLAINED

A key measure in the proposed amended Zespri constitution is to put in place a maximum shareholding of four shares for each tray of production, and a voting cap of 1 voting share per tray of production.

In the KISP referendum, growers backed measures to allow lessees of orchards to own shares and vote on them. This would be up to a maximum of the four to one share cap per KPIN. It would also be up to a maximum of the one to one voting cap per KPIN.

If the combined shareholding of the landowner and lessee exceeds the production-based shareholding cap for the KPIN, then the lessee will need to dispose of their shares before the landowner is required to do so. This is the Landowner Priority Rule.¹

A lessee's right to production for share or voting cap purposes will not require agreement from the owner. It is automatic if the landowner does not take up their full entitlement.

Zespri will allocate share entitlement by default, first to the KPINs that a producer owns and any balance to those KPINs

that the producer leases (if there is room available under the share cap for that property) after the landowner allocation has been considered.

Exceptions to the Landowner Priority Rule

- 1. If there is an existing 20 year lease in place at the time of the introduction of new rules, then the share cap and voting cap priority entitlements will be split 50/50.
- 2. If there is a 'Glasgow' lease in place, then that lessee will have priority over both shares and votes rather than the landowner. The definition of a Glasgow lease in this respect is a lease of 21 years or more that is perpetually renewable at the option of the lessee and where the lessee owns improvements to the land.

EXAMPLE

If a property has 100 trays of production, the owner and the lessee (if any) will be able to between them hold up to 400 shares. If the owner and the lessee each have 200 shares and the owner buys 100 more shares, the lessee becomes overshadowed by 100 shares and has to sell its excess shares within 3 years.

Voting

For 100 trays of production there will be an entitlement to vote 100 shares. Based on the example above, the owner will be able to vote all of them. However, if the owner only owned 50 shares then the owner can only vote 50 shares and the lessee could vote the other 50 if it had the shares to match.



End October
Town hall meetings with dry shareholders



17 - 24 Nov
Grower Roadshows and information packs



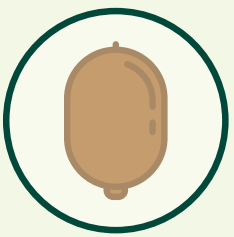
End November
Town hall meetings with dry shareholders and information packs mailed out



End February 2018
Notice of meeting and voting forms distributed



14 March 2018
Zespri Special Meeting: shareholder vote



ORCHARD ENTITIES AND SHARE OWNERSHIP

Under the current and proposed amended constitution, a grower will be misaligned if they own an orchard in the name of one legal entity, call it 'Family Trust A', but they own shares in the name of a different legal entity, call it 'Orchard Trust B'.

The result is that the different entity called 'Orchard Trust B' would be considered 'dry' or a 'non-producer' unless it leases the orchard and has a lease of at least one year's duration. This is because no production will be attributed to this entity under the new rules, if shares are not owned in the exact same legal entity as the orchard and there is no lease.

The result of this status is that the grower will not be able to vote the shares held by Orchard Trust B, because voting entitlement

is based on production (as an owner or lessee). Furthermore, under the amended constitution, the shareholder will forfeit dividends on those misaligned shares following a transition period.

Solution

Shareholders are encouraged to seek professional advice to discuss solutions.

There is a simple way to address this form of misalignment.

The grower can align shares with their production through a transfer of shares from Orchard Trust B to the entity that owns the orchard, Family Trust A. Alternatively, if Orchard Trust B operates the orchard, it could put a lease of one year or more in place and provide Zespri with a copy along with a signed declaration.

Transferring shares can be done anytime through an off-market transfer, which is a private transfer of shares between two parties that doesn't require share broker services. The form and relevant instructions are available on:

- Canopy > Growing Kiwifruit > Shares > Ways to trade shares
- Or request a copy by emailing: shares@zespri.com



LESSEES AND RIGHTS TO VOTE AND BUY SHARES

With the proposed changes to Zespri's constitution, Zespri needs to have an accurate record of all kiwifruit 'producers', which include lessees. This is particularly important because under the new rules lessees would have share and voting entitlements, so Zespri needs legal verification of any lease arrangement.

There are currently around 1,000 growers who have lease arrangements, of which over half are with post-harvest facilities.

In August, Zespri wrote to all orchard lessees requesting confirmation of the lease arrangement, in order to be able to determine entitlement. This applies even to lessees who do not currently own Zespri shares, but may wish to buy shares in future.

Zespri has asked lessees to provide a copy of the lease agreement and a declaration, which should be returned no later than 31 October 2017. The declaration should be signed by the lessee and either your solicitor or an authorised representative of the landlord. As the proposed changes to the rules will impact lessees, lessees holding shares may be entitled to vote at the special meeting. Missing the deadline could impact your ability to vote at the Special Meeting (if you already have shares) as well as your resulting share entitlements.

For further information or to get a copy of the declaration please call the Zespri Grower Support Services on 0800 155 355 or email contact.canopy@zespri.com

Definitions:

Producer - is an owner or lessee (of at least one year), of land in NZ on which kiwifruit is produced for supply to Zespri Group Limited.

Dry shareholder/non-producer - a dry shareholder will also be referred to as a non-producer. This is a legal entity that owns shares but does not own or lease an orchard.

Note:

- 1. A private arrangement between landowner and lessee as to the number of shares each can hold will not be recognised by Zespri. For the purpose of calculating shareholder entitlement, the landowner priority rule will always overrule any private arrangements.