

## February Forecast: average Green returns rise

The February forecast for the 2017/18 season, approved by the Zespri Board on 23 February, indicates further gains for Green, Organic Green, and Gold, with Green14 returns unchanged from the December forecast.

Green shows the greatest increase, up 17 cents on the December forecast at \$6.54 per tray. The average per hectare return for Green is \$58,449. This improvement has been driven by generally good quality at the tail end of the season, resulting in release of quality provisions and reductions in incentive provisions.

Similar factors have supported Organic Green returns, which increased by 13 cents versus the December forecast to \$8.60 per tray. The average per hectare return for Organic Green is \$50,531. Performance in Europe was a main driver with improvements in pricing, fruit loss and the release of quality and incentive provisions.

The average per tray return for Gold increased by 9 cents to \$10.00 per tray, and the average per hectare return is \$113,692. The lift was supported by reductions in sales incentives, fruit quality provisions and promotion.

The average per tray return for Green14 is unchanged at \$5.47, which equates to

\$38,073 per hectare. During the 2017/18 season, Zespri sold just over 1.2 million trays of Sweet Green, almost exclusively into Japan and Europe.

The forecast **Total Fruit and Service Payment** excluding the loyalty premium is \$1,429 million.

CEO Dan Mathieson comments, "We've achieved improved forecast returns through a tidy close to New Zealand sales and our 2017 performance gives us momentum going into 2018. We are looking forward to a recovery in both conventional and Organic Green volumes, and continued growth in SunGold. We are also going to stay focused on value through driving our premium brand-led strategy, supported by excellence in marketing and strong relationships with distribution and retail partners."

### Corporate profit range

Zespri's forecast range for **net profit after tax** is \$100 million to \$103 million. The **dividend per share range** is \$0.72 to \$0.74, which includes the interim dividend paid in August of \$0.50 per share and the second dividend paid in December of \$0.08 per share.

AVERAGE ORCHARD GATE RETURN Fruit and Service Payments plus the loyalty premium, less post-harvest costs				
Pools (fruit categories)	2016/17 FINAL	DECEMBER 2017 FORECAST (E4)	FEBRUARY 2018 FORECAST (E5)	VARIANCE BETWEEN FEBRUARY 2018 FORECAST AND DECEMBER 2017 FORECAST
Zespri Green	\$53,555 per ha	\$56,995 per ha	\$58,449 per ha	+\$1,454 per ha
	\$4.36 per tray	\$6.37 per tray	\$6.54 per tray	\$0.17 per tray
Zespri Organic Green	\$54,427 per ha	\$49,870 per ha	\$50,531 per ha	+\$661 per ha
	\$6.86 per tray	\$8.46 per tray	\$8.60 per tray	\$0.13 per tray
Zespri Gold	\$98,838 per ha	\$112,562 per ha	\$113,692 per ha	+\$1,130 per ha
	\$8.64 per tray	\$9.91 per tray	\$10.00 per tray	\$0.09 per tray
Zespri Green14	\$45,853 per ha	\$37,969 per ha	\$38,073 per ha	+\$104 per ha
	\$5.79 per tray	\$5.47 per tray	\$5.47 per tray	\$0.00 per tray

FRUIT AND SERVICE PAYMENTS The average amount paid by Zespri to supply entities for a grower's fruit - excluding the loyalty premium				
Total fruit and service payments (across all pools)	\$1,344.0 million	\$1,412.8 million	\$1,429.0 million	\$16.3 million
	\$9.21 per tray	\$11.35 per tray	\$11.48 per tray	\$0.13 per tray
Zespri Green	\$7.55 per tray	\$9.65 per tray	\$9.82 per tray	\$0.17 per tray
Zespri Organic Green	\$9.57 per tray	\$11.22 per tray	\$11.35 per tray	\$0.13 per tray
Zespri Gold	\$12.37 per tray	\$13.80 per tray	\$13.88 per tray	\$0.08 per tray
Zespri Green14	\$9.25 per tray	\$8.53 per tray	\$8.52 per tray	-\$0.01 per tray

**Note:** Per tray amounts above are not rounded to 2 decimal places, therefore rounding differences may apply.

## Danni van der Heijden wins 2018 BOP Young Fruitgrower of the Year competition

Danni van der Heijden, an avocado services manager at Trevelyan's Pack & Coolhouse in Te Puke, has been named Bay of Plenty's Young Fruitgrower for 2018 at an awards dinner in Tauranga.

The competition took place on 10 February at Te Puke Showgrounds where the six competitors went through a series of challenges, testing their skills and ability to run a successful orchard. These were followed by a speech competition discussing future disruptors to horticulture at a gala dinner on Thursday 15 February.

Danni took five individual challenge awards, and especially impressed judges with her speech on science and technology as disruptors to horticulture.

Aaron Wright came in second place, while Hamish McKain was third.

Danni's prize includes an all-expenses paid trip to Gisborne in August to compete for the title of national Young Grower of the Year 2018, as well as \$1,500 cash. Danni credits her success to her training and says that her competitors put up a great fight.

"I'm feeling pretty good," says Danni. "We all did our best, it was a really tough competition and I'm glad to have won."

"Last year I came second so I pretty much had to come back. I'm especially glad to have won the avocado challenge, that's my area, and I can't wait to get to the finals in August. There's not a lot of women that enter these events so women winning two years in a row is great."

Katy McGinity, Chair of the Bay of Plenty Young Fruitgrower Upskilling Committee says that the quality of the contestants was exceptional.

"It was great to see such a high calibre of competitors at the 2018 event. I would like to offer my congratulations to all of the contestants who illustrated not only their own skills, but also the roles and development opportunities that are available in the horticulture industry."

New Zealand Kiwifruit Growers Incorporated CEO Nikki Johnson believes attracting young people into horticulture is vital to continue the industry's growth.

"Horticulture profits the BOP region by approximately \$1.8 billion a year and this is growing as the industry expands. It is important to attract and retain employees by focusing on job opportunities through careers and education within the industry."

"Events such as the Bay of Plenty Young Fruitgrower competition illustrate this commitment to developing our young people and are an excellent chance to create awareness about the roles and development opportunities that are available. I congratulate all of the Young Fruit Grower competitors who have shown themselves to be upcoming stars of our booming industry."

Horticulture New Zealand Chief Executive Mike Chapman agrees on the importance of youth engagement and recognition.

"The Young Grower competitions show that there are capable, ambitious young people entering the primary industries and demonstrate to the country that horticulture is not only an option for their future, but an exciting and potentially very rewarding one. This year's competitors are a great example of young people who are passionate about the industry's future and their role in it."

"Danni and the other contestants are exactly the kind of people the future of our industry will be based on: young and passionate. We want them thinking about careers in horticulture."

The day-long Bay of Plenty competition was held as part of the Te Puke A&P Show.

With six competitors aged under 30, all Bay of Plenty locals, the competition was well supported by local and national horticulture companies, including Eurofins BOP, MPAC, Fertco, Zespri and Prosopa.

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



(Left to right) 2018 BOP Young Fruitgrower Contestants Hamish McKain, Danni van der Heijden, Rochelle Kerkmeester, Aaron Wright, Levi Smith and Rishi Preet Singh.

## Make your vote count! Special Meeting 2018

Don't forget to have your say at the Special Meeting on Wednesday 14 March. The meeting will be held at the ASB Arena, 81 Truman Lane, Mount Maunganui, starting at 1pm. Registration will take place from 12pm. The Special Meeting is a uniquely important moment for our industry, providing an opportunity to strengthen grower ownership and control of Zespri through improving the alignment between production and Zespri shareholding.

All registered shareholders should have now received their Special Meeting Voting Pack. If you have not received your pack, or for further information please visit [www.kisp.co.nz](http://www.kisp.co.nz), or contact Zespri Grower Support Services on 0800 155 355 or [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com)

## 2018 Grower Payments book

Please find a copy of the *2018 Grower Payments* book enclosed. For further copies please email [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com)



# From the markets

Last month saw a strong marketing push from Zespri teams around the world.

**China**

Zespri China sales teams recently hit the shop floor to find fresh insight on growing demand in the Chinese market. Zespri staff spent time analysing consumers and purchase behaviour at the Beijing and Shanghai outlets of leading fruit retailer, Pagoda. Early findings from the team's hands-on experience include a better understanding of in-store purchase drivers and the opportunities e-commerce presents in targeting Chinese retail audiences. The on-the-ground experience has catalysed several shopper-based marketing projects. The wider Zespri China team are also continuing their efforts to prevent counterfeit Zespri kiwifruit from being sold in Chinese markets.



China sales team learning from the shop floor.

**Singapore**

Zespri Singapore launched a new campaign to cater to the Chinese New Year consumer appetite for all things gold and lucky. Punnet packaging, carry packs and shopping bags all displayed the limited-edition New Year branding which shows Zespri SunGold Kiwifruit with floating kiwifruit slices to resemble gold coins, a Chinese symbol of wealth. The campaign graphics also featured water splashes and gold stamp forming the word “春Chun,” a character representing the auspicious start of the Chinese New Year. To expand its brand outreach, Zespri Singapore teamed up with honestbee, Singapore's largest online groceries concierge service. During the festivities, honestbee distributed 30,000 co-branded shopping bags to households across Singapore featuring lucky Zespri SunGold.



Limited-edition Chinese New Year packaging a hit with Singapore consumers.

**Berlin**

Zespri attended Fruit Logistica earlier this month in Berlin, one of the world's leading fresh produce trade fairs. Zespri's 'virtual reality' stand attraction enjoyed strong interest at the fair and key meetings were held with both existing and potential customers and suppliers.



Zespri attracts interest at Berlin Fruit Logistica.

**Benelux**



Last month, the Benelux (Belgium, Netherlands and Luxembourg) team were busy promoting Organic Green to global organic market audiences at Bio-Fair, a leading organic trade event held in Netherlands. Among the many visitors to the Zespri stand, the team welcomed Her Majesty Queen Máxima of the Netherlands. Read more about Zespri Organic Green at Bio-Fair (far right).

**Spain**

Our team in Spain has broadcasted a dynamic new Zespri Green campaign (Querámonos) aimed at winning the hearts of Spanish consumers to increase brand loyalty and knock out the European competitors. Zespri Spain also recently captured the attention of New Zealand Agriculture Minister, Hon Damien O'Connor, who visited our Spanish operations learning about Zespri's Spanish market and our supply process from orchard to retail. Read more about the Querámonos campaign below.




Minister O'Connor visits Zespri Spain.



www.canopy.zespri.com

## Top 5 PAGES



1. The Month Ahead: February
2. Quality Manual
3. Grower Services Team
4. Up-2-Date
5. OPC Field Days

## Zespri Organic Green attracts attention at Bio-Fair

Last month our Benelux (Belgium, Netherlands and Luxembourg) team took Zespri Organic Green to the market. Our Organic Green was present in full force at Bio-Fair, a leading two-day organic trade fair held in Zwolle in the northeast of the Netherlands. January's Bio-Fair saw over 350 companies and organisations come together to promote organic products and innovative advances in sustainability. The event provided access to over 80 workshops and speakers on related organic and sustainable topics. Leveraging eight years of experience at Bio-Fair, Zespri Benelux strove to maximise impact and awareness during the event. Zespri sampled Organic Green across the two days, with approximately 9,500 total attendees passing through the fair. Zespri stand visitors included consumers, farmers, professionals, and Her Majesty Queen Máxima of the Netherlands. Zespri Benelux were pleased with the opportunities generated at the event.



Zespri Organic Stand at the 2018 Bio-Fair, and Queen Maxima of the Netherlands visiting the fair.

## Heart-warming Green campaign launches in Spain

Zespri Spain has kicked off a heart-warming campaign to win over Spanish consumers. Amid market noise from competing European kiwifruit brands, Zespri has launched a vibrant promotion to capture brand loyalty.

“Querámonos” which translates as, “let’s love ourselves,” is the catchphrase of the campaign promoting the benefits of Zespri Kiwifruit: high in fibre and rich in Vitamin C for the consumer and their loved ones. Featuring tender and comical scenes of kiwifruit eaters of all ages, Querámonos is broadcasting at strategic times on Spanish television in 10 and 20 second formats, and promoted via online video and banner campaigns. At the store, refreshed point-of-purchase displays and retail advertising reinforce brand recognition at Spanish supermarkets and hypermarkets. In addition, national women’s digital media have featured Zespri articles on the health benefits of kiwifruit with suggested recipes. Zespri Spain is tracking the success of the campaign to enhance brand perception, generate greater offline and online brand recognition, and ultimately increase brand loyalty and repeat purchasing. To watch the Querámonos TV commercial, type goo.gl/A1GYSV into your internet browser.





# Organic Gold3 only Licence Release

In October 2017, the Board approved a release of 50 hectares of Organic Gold3 Licence to be released under a Closed Tender Bid in 2018 and a further 50 hectares a year from 2019 to 2022.

To reach our targets to meet organic demand by 2027, strict commercial rules have been adopted to ensure consistent and increasing organic supply without sacrificing the supply of conventional fruit in either the Gold3 or Green categories.

Application of these rules has resulted in material changes to both the Licence Application Overview Rules (LAOR) and the Zespri Kiwifruit Variety Licence (“Licence”). A version of both the LAOR and the licence document has been created to apply these rules to this licence release. The versions are referred to as the Organic LAOR and the Organic Licence. **Please note that these documents have different terms and conditions to the 700 hectare Licence Release – referred to as the “Unrestricted” Licence Release.**

The key features of this licence release for Organic Gold3 that differ from the “Unrestricted” Licence Release are:

- Minimum bid area is 1 hectare (or smaller if the plantable area of the relevant property is smaller) and maximum allocated bid area is 10 hectares;
- There is a two-year deadline after the licence is issued to obtain a Certificate of Registration with an Organic Certified Body;
- The licensed area must be grown to certified organic standards at all times after registration;
- There is a five-year deadline for the licensed area to become fully Certified Organic;
- Failure to satisfy the organic requirements as specified in the licence document will give Zespri the right to terminate the licence but Zespri may choose not to exercise its right to terminate the licence;
- The organic status of the licence remains with the licence for the lifetime of the Plant Variety Rights (PVR);
- To be a valid bid the allocated area must be a New Kiwifruit Development;  
A New Kiwifruit Development is defined as:
  - Bare land; or
  - Land being used for some purpose other than growing kiwifruit; or
  - Land that is being prepared for growing kiwifruit but which is not yet producing kiwifruit (this includes existing orchards where all canopy was removed for re-grafting prior to the 2017 harvest.)
- Zespri will exercise its rights to register a caveat against the title of all Organic Gold3 licensed properties;
- If undersubscribed, those bidders who were allocated the maximum bid area will be contacted and offered additional area at their highest bid price to a maximum of 20 hectares.

Zespri will audit all applications to confirm the area intended for

the Organic Gold3 licence allocation satisfies the “New Kiwifruit Development” criteria. Applications that do not satisfy Zespri’s requirements for this criteria will be invalid.

**Inform yourselves before you apply**

The release date set for the LAOR and the sample licence document is 28 February 2018. Growers are encouraged to refer to the Canopy home page to locate the documents once published.

All applicants must ensure that they have fully read and understood the terms and conditions of the application process and also the Organic Licence. There have been material changes to the licence document to incorporate the rules applicable to organic requirements.

**Zespri recommends you obtain professional advice prior to submitting an application.**

**Caveats**

Zespri’s right to register a caveat exists for all holders of Gold3 or Green14 licences (see Clause 11.3 of those licences), however it is only with the introduction of the certified organic requirements that Zespri is exercising its rights under the equivalent clause in the Organic Gold3 Licence.

In many instances Zespri only becomes aware of a property change of ownership once the Sale and Purchase Agreement has become unconditional, or the property has already been settled. Now that there are restrictions on the Organic Licence that could result in the licence being terminated if they are not followed, Zespri must ensure that any person purchasing a property on which there is an Organic Gold3 Licence is aware of these rules. In the event that you decide to sell your property or change the legal ownership, Zespri must ensure that any transferee (purchaser of a property) is fully aware and in agreement with the organic requirements on the licence, and the caveat safeguards Zespri’s interests in this regard.

Please see the below article (Caveat FAQ) for more information, or visit Canopy: Canopy > Growing Kiwifruit > Zespri Variety Licences > Licence Release > 2018 Organic Supplemental Information (Resources: 2018 organic licence release FAQs PDF).

**How to apply**

Similar to the unrestricted 700 hectare Gold3 licence release, applicants can either download the application documents (Organic LAOR) from Canopy, or alternatively apply online via the Industry Portal. Please refer to the 2018 Gold3 Licence Release on page 4 for instructions on how to apply online.

**Supporting material for applicants**

Similar to other licence releases, Zespri will have a designated page on Canopy where supporting material relating specifically to organics can be located. On this page applicants will find material such as:

- Current payment pooling structure for Organic Gold3 including:
  - Illustrative OGR
  - Royalty rate
  - Yield over time (compared to conventional)
  - Estimated new development costs
- OPC certification and growing guide
- Previously published articles and Kiwitech bulletins
- Key contacts at BioGro to discuss certification
- Key contacts such as existing organic gold growers
- FAQs
- Summary of rule changes of the Gold3 Licence compared to Organic Licence

The timeline below relates to both the Organic Gold3 Licence Release (50 hectares) and the Unrestricted Licence Release (700 hectares).

Date	Action
28 February	Licence Application Overview and Rules published.
28 March	Application process opens.
11 April	Closing date for bids – applications <b>must</b> be received by Cooney Lees Morgan prior to 5pm.
27 April	Pre-validation and collation of all bids completed by Cooney Lees Morgan.
Week of 30 April	Evaluation Panel makes decisions regarding allocation of licences and successful bidders notified as soon as possible thereafter.
1 May 2018 onwards	Successful bidders’ deposit cheques banked (at least 3 days advance notice by email will be given).
28 May 2018 onwards	Licence packs distributed.
20 July	Balance of settlement monies due.

## Caveat FAQ: Organic Gold3 Licence Release

If I am successful in my bid for an Organic Gold3 Licence, the terms state that Zespri will place a caveat on my property. What does this mean?

Zespri will lodge a limited form of caveat on each of the properties that an Organic Gold3 Licence is allocated to. This caveat is a notice that Zespri has an interest in the property. The 'interest' is a right of entry (an easement) by Zespri to enter the property to confirm the licence terms are being complied with and to remove Gold3 plant material if the licence is terminated for any reason.

If a LINZ (Land Information New Zealand) search is conducted on the property, the caveat, with reference to the Organic Licence, and Cooney Lees Morgan’s contact details as Zespri’s representative will show. In this way, anyone looking to deal with the property in any way will be on notice of Zespri’s interests, and know that a Zespri Organic Licence is in place on the property.

As a result of the caveat, Zespri’s consent will be required for any change of ownership of the property. The caveat will be limited so Zespri’s consent will not be required for any other dealings with the title that do not involve a change of ownership.

Examples of instances that would require consent from Zespri are any transactions that involve a transfer of ownership of all or part of the property. Such as:

- For land owned by a trust, a change of trustees requires a transfer of title from the old trustees to the new, and would require Zespri consent. It should be noted that a change of ownership of the

property requires Zespri’s consent under the terms of all existing Zespri licences in any event, regardless of whether there is a caveat on the property or not;

- Any boundary adjustment or subdivision of the property that also involves a change of ownership.

The following types of transactions could be registered on the title of the property without gaining consent from Zespri:

- Registration or discharge of mortgages;
- Granting of easements, rights of way and transactions of a similar nature that do not involve any change of ownership of the property.

In cases where there is a transfer of ownership (including a subdivision or boundary adjustment affecting ownership of the property), you or your lawyer will need to contact Cooney Lees Morgan to obtain Zespri’s consent. Where a boundary adjustment or a subdivision does not affect the ownership of the licensed area under the Organic Licence, Zespri will always provide consent to the transaction.

Where a change of ownership of the licensed area is involved, Zespri will contact the purchaser of the property and confirm that they are aware of the requirements under the licence for the licensed area to be grown as certified organic. Zespri will also arrange for the

necessary licence transfer to take place to the new owner, subject to the usual transfer terms of the licence.


Both Zespri and Cooney Lees Morgan will have systems in place to manage this process, and will endeavour in all cases for a quick turn-around of consents. If the purchaser does not agree, Zespri may refuse to transfer the licence and refuse to issue a licence to the purchaser.

If the transfer of ownership is merely a change of trustee, Zespri will automatically consent to the requests but will still require a copy of the deed evidencing the change of trustees, and for the existing licence to be transferred into the names of the new trustees who jointly own the licence.

In cases where the landowner is the lessor and the licensed grower is the lessee, Zespri will consent to ownership transfers provided the new owners sign an Acknowledgement of Owner Form (Appendix 3 of the Licence).

Zespri consent would not be required for building on the property. For more information about caveats visit [www.canopy.zespri.com](http://www.canopy.zespri.com), or contact Zespri Grower Support Services on 0800 155 355 or email [new.cultivars@zespri.com](mailto:new.cultivars@zespri.com)

# 2018 Gold3 Licence Release



Please note that the unrestricted bidding process will run at the same time as the Organic Gold3 only bidding process (50 hectares).

On **28 February 2018**, the Licence Application Overview and Rules (LAOR) for both the unrestricted 700 hectare pool and the Organic Gold3 only pool (50 hectares), was published and is available to view on Canopy: Canopy > Growing Kiwifruit > Zespri® Variety Licences > Licence Release > 2018 Licence Release Application Process & Timeline. Please note: as per the timetable below, the application window will open on **28 March 2018**.

The release of this documentation follows the Board's decision in October to release 700 hectares of Gold3 licence and 50 hectares of Organic Gold3 licence in 2018.

**2018 online licence application**

There are two ways a grower can apply for a licence this year. Growers can either complete the application form (downloaded from Canopy) manually or complete an online form via the Industry Portal. If you choose to complete the application via the Industry Portal (available from **28 March 2018 until 5pm on 11 April 2018**), your KPIN and legal entity details will be available for you to select and will pre-populate on the form. A copy of your application will then be emailed to you for you to view and finalise your bidding details, ready to be posted to Cooney Lees Morgan

prior to closing the application window.

Please note **both options** still require the applicant to print and post a copy of their application form along with their deposit payment to Cooney Lees Morgan before **5pm, 11 April 2018**.

To complete an online application via the Industry Portal, log on to Canopy. If you have previously saved the Industry Portal to your favourites, you can access it here. If not, type "Industry Portal" into the search field. Next, under the Industry Portal click on the Online Licence tab as below (note: this is only available from **28 March - 11 April 2018**).

For assistance with the online licence application, LAOR download or any other questions relating to the application process for either the Unrestricted Release, or the Organic Gold3 only Release, please call Zespri Grower Support Services on 0800 155 355 or email [new.cultivars@zespri.com](mailto:new.cultivars@zespri.com)

**2018 Process – Gold3 Unrestricted 700 hectares**

- **No deferred payment terms** to be offered – 25 percent due upon application and the balance is due 20 July 2018
- **A maximum of 20ha** in total may be successfully bid by any legal entity

- **A 'use it or lose it'** grafting requirement expiring 31 January 2020 will apply to all licences issued in 2018
- 2018 Process – Organic Gold3**
- (Please refer to Organic Gold3 only Licence Release on page 3 for more information).
- **Minimum bid area:** 1 Hectare
  - **Maximum bid area:** 10 Hectares
  - **Must be new plantings** (no producing Hayward conversion)
  - **No deferred payment terms** to be offered – 25 percent due upon application with balance due 20 July 2018
  - **A 'use it or lose it' grafting requirement expiring 31 January 2020** will apply to all licences issued in 2018
- The LAOR documents contains the rules and the application forms for each of the allocations. There will be a separate LAOR for the Organic Gold3 Process. All growers considering making an application for the licence are encouraged to inform themselves, seek appropriate advice and read the LAOR before applying.

Date	Action
28 February	Licence Application Overview and Rules published.
28 March	Application process opens.
11 April	Closing date for bids – applications <b>must</b> be received by Cooney Lees Morgan prior to 5pm.
27 April	Pre-validation and collation of all bids completed by Cooney Lees Morgan.
Week of 30 April	Evaluation Panel makes decisions regarding allocation of licences and successful bidders notified as soon as possible thereafter.
1 May 2018 onwards	Successful bidders' deposit cheques banked (at least 3 days advance notice by email will be given).
28 May 2018 onwards	Licence packs distributed.
20 July	Balance of settlement monies due.



## Helpful hint for online registrations

Tried to complete your 2018 PIN or grower registration via the Zespri Industry Portal but had no luck?

Here's a helpful hint - once you have filled in your details in the online form, make sure you click 'Submit' before you click 'Save & Close' to successfully complete your online registration.

**Section 4 – Authorised Signature**

☒ By submitting this form I certify that I am authorised to sign this form on behalf of the individuals or entities named above and that the information is correct.

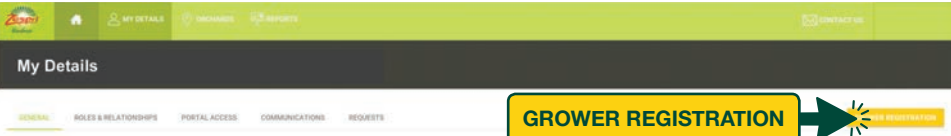
SUBMIT

SAVE & CLOSE


Registrations are **now overdue** so if you haven't already completed your registration, please visit the Zespri Industry Portal by navigating to: Canopy > Zespri & The Kiwifruit Industry > Tools & Calculators > Zespri Industry Portal. (Note: the portal accepts your Canopy username and password so no additional login is required.)

Below are examples of where to find your relevant registration button:

Grower registration



KPIN registration – please note you may need to select your KPIN from a list.



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 [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com).

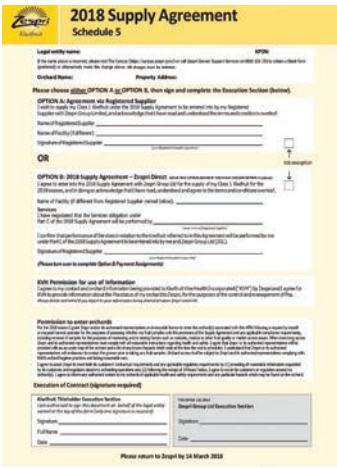
## Grower Contracts (Schedule 5 of 2018 Supply Agreement)

Schedule 5 of the 2018 Supply Agreement (Grower Contracts) has been sent to all growers. If you have not received a copy please call Zespri Grower Support Services.

Enclosed in your pack is a yellow form that must be signed and returned to Zespri by 14 March 2018. Growers will also need to ensure that your Registered Supplier has also signed the Schedule 5 form before it is returned to Zespri.

On receiving the completed Schedule 5 form, a grower number is then issued by Zespri. This number is required to request a clearance to pick your fruit.

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



## Red variety release decision postponed to 2019

In the January 2018 Kiwiflier, we advised that the Zespri Board had requested the management team to fast-track data collection for a red variety to allow a 2018 commercialisation decision.

Any commercialisation decision on a new variety usually takes place after a minimum of three years in pre-commercial trials and any fast track commercialisation decision in 2018 would be made on limited information. At the Board meeting on 23 February 2018, it was decided not to proceed with a commercialisation decision of the red variety in 2018 but to continue collecting data for a 2019 commercialisation decision.

Despite all of the efforts to learn as fast as we can about the red variety, it was agreed that we need to take more time to fully understand the scope and scale of the risks.

There is strong market demand for a red variety in the Zespri portfolio. The potential value in the red category means that we are willing to accept more risk in order to get to market quickly, but in accepting this risk we still need to be sure that we are prudent with any commercialisation decision.

The decision to not commercialise a red in 2018 does not impact on our commitment to increase research and development investments this year to fast track our learnings on reds, with the view to a commercialisation decision in 2019 if possible.



# 2017/18 Season return analysis

Class 1 - Approved Progress Payment 15 March 2018	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.21	\$0.45	\$0.15	\$0.15	\$0.25	\$0.25	\$0.10
Zespri Organic Green	\$0.21	\$0.05	\$0.45	\$0.20	\$0.10	\$0.10	\$0.40
Zespri Gold	\$0.14	\$0.20	\$0.10	\$0.15	\$0.10	\$0.20	No supply
Zespri Gold3 & Organic Gold3	\$0.16	\$0.20	\$0.10	\$0.20	\$0.10	\$0.25	No payment
Zespri Green14	\$0.07	\$0.05	\$0.05	\$0.10	\$0.05	\$0.05	\$0.05

Class 1 - Indicative Progress Payment 13 April 2018	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Zespri Organic Green	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Zespri Gold	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	No supply
Zespri Gold3 & Organic Gold3	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	No payment
Zespri Green14	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10

- 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.

## 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 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.

March 2018 approved progress payments on Net Submit trays

Approved per tray progress payments for 15 March 2018:

Class 1	
Zespri Green	\$0.21
Zespri Organic Green	\$0.21
Zespri Gold	\$0.14
Zespri Gold3 & Organic Gold3	\$0.16
Zespri Green14	\$0.07

April 2018 indicative progress payments on Net Submit trays

Indicative per tray progress payments for 13 April 2018:

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

### Orchard Gate Return

The OGR calculations reflect post-harvest cost data compiled by Ingham Mora Limited in September 2017, the February 2018 forecast fruit loss percentages and current productive hectare information.

## Share Briefs

As at **23 February 2018**, the last Zespri share price trade was **\$8.20** traded on **14 February 2018**. There were two buyers at **\$8.05** and **\$8.00**. There were four sellers at **\$8.20**, **\$8.20**, **\$8.15** and **\$8.10**.

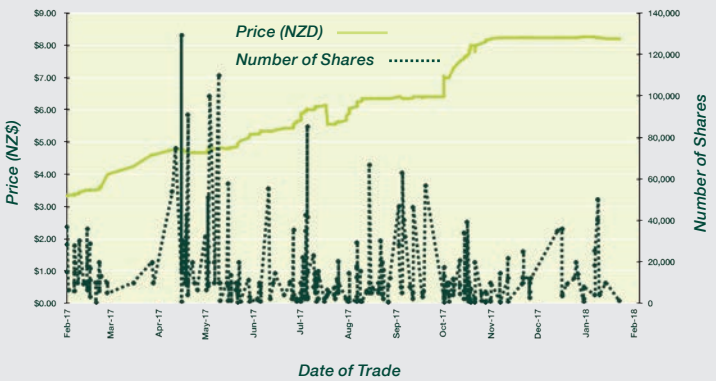
To trade Zespri shares please contact one of the registered USX brokers. See Canopy for details: Canopy > Growing Kiwifruit > Working with Zespri > Shares for more information.

For all other general shareholder enquiries, please contact Zespri Grower Support Services on 0800 155 355 or email [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com).

As of 8 February 2018, Unlisted has rebranded as Unlisted Securities Exchange (USX). The website is now [www.usx.co.nz](http://www.usx.co.nz). If you have saved the old Unlisted website to your favourites, you will now need to update this information. There is no change to the content of the website.

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

Zespri Group Limited Share Trades 23 February 2017 to 23 February 2018



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.usx.co.nz](http://www.usx.co.nz). The Zespri Group Limited listing code is 'ZGL'. The USX 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 Market Depth information as at **23 February 2018**.

Quote Line at Friday 23 February as at 8.40am						
Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	8.050	8.100	8.200	0.000	0.000	0

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	4,000	8.050	8.100	5,000	1
1	4,000	8.000	8.150	15,000	1
			8.200	10,000	1
			8.200	55,395	1

Last 10 Trades			
Date/Time	Quantity	Price (\$)	Value (\$)
14/02/18	1,200	8.200	9840.000
5/02/18	9,930	8.220	81624.600
1/02/18	4,000	8.250	33000.000
31/01/18	50,000	8.250	412500.000
31/01/18	40,000	8.250	330000.000
29/01/18	4,000	8.270	33080.000
29/01/18	18,480	8.270	152829.600
29/01/18	25,520	8.250	210540.000
22/01/18	2,000	8.270	16540.000
22/01/18	8,000	8.270	66160.000

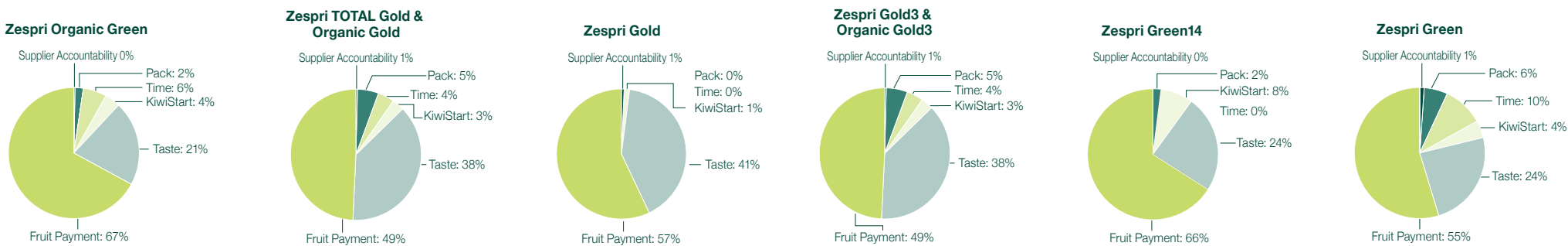
Director share trading

For the month of February (as at **23 February**), there were no 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.

Please note that when content for the Kiwiflier is finalised for publication, there may be some trades associated with director entities which have been matched and transacted, but the paperwork has not yet been received by Zespri or Computershare. As such, there may be some lags in reporting trading by entities associated with directors. Zespri will however ensure that as at the end of each month, the Director Share Holdings and Transfers document on the Zespri Canopy will always provide the most up to date information held by Zespri.

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

2017/18 - February forecast




# 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 are above the dotted line with the average amount paid.

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

Zespri Green FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-17	\$2.25	\$0.02					\$2.27	22%
May-17		\$0.11					\$0.11	24%
Jun-17		\$0.10					\$0.10	25%
Jul-17		\$0.03	\$0.00	\$0.26	\$0.61		\$0.90	34%
Aug-17		\$0.15	\$0.18	\$0.42	\$0.20		\$0.96	43%
Sep-17		\$0.29		\$0.72	\$0.12		\$1.14	54%
Oct-17		\$0.38	\$0.27	\$0.32	\$0.18		\$1.14	66%
Nov-17		\$0.31	\$0.06	\$0.60	\$0.60		\$1.56	81%
Dec-17		\$0.18	\$0.02	\$0.05	\$0.43		\$0.67	88%
Jan-18			\$0.00			\$0.10	\$0.10	89%
Feb-18					\$0.50		\$0.50	94%
Mar-18					\$0.21		•	96%
Apr-18					\$0.10		•	•
May-18			•		•		•	•
Jun-18						\$0.15	•	100%
Paid YTD	\$2.25	\$1.56	\$0.53	\$2.37	\$2.64	\$0.10	\$9.45	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.48	\$0.15	\$0.63	
Total fruit and service payments - 2017/18 forecast								\$10.07


Zespri Organic Green FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-17	\$2.25						\$2.25	19%
May-17		\$0.01					\$0.01	20%
Jun-17		\$0.07					\$0.07	20%
Jul-17		\$0.02	\$0.07	\$0.29	\$0.67		\$1.04	29%
Aug-17		\$0.11	\$0.15	\$0.46	\$0.92		\$1.64	43%
Sep-17		\$0.22		\$0.83	\$0.11		\$1.15	53%
Oct-17		\$0.24	\$0.24	\$0.23	\$0.73		\$1.43	66%
Nov-17		\$0.11		\$0.54	\$1.08		\$1.73	80%
Dec-17		\$0.11		\$0.03	\$0.78		\$0.92	88%
Jan-18			\$0.01			\$0.10	\$0.11	89%
Feb-18					\$0.66		\$0.66	95%
Mar-18					\$0.21		•	97%
Apr-18					\$0.10		•	•
May-18					•		•	•
Jun-18						\$0.15	•	100%
Paid YTD	\$2.25	\$0.89	\$0.47	\$2.38	\$4.93	\$0.10	\$11.02	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.43	\$0.15	\$0.58	
Total fruit and service payments - 2017/18 forecast								\$11.60


Zespri Green14 FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-17	\$2.80	\$0.11					\$2.91	33%
May-17		\$0.10					\$0.10	34%
Jun-17		\$0.01					\$0.01	34%
Jul-17			\$0.70	\$0.68			\$1.38	50%
Aug-17			-\$0.05	\$0.68	\$0.18		\$0.81	59%
Sep-17		\$0.00		\$0.28	\$1.03		\$1.31	74%
Oct-17		\$0.00		\$0.00	\$0.83		\$0.83	84%
Nov-17				\$0.41	\$0.07		\$0.48	89%
Dec-17					\$0.22		\$0.22	92%
Jan-18						\$0.10	\$0.10	93%
Feb-18					\$0.17		\$0.17	95%
Mar-18					\$0.07		•	96%
Apr-18					\$0.10		•	•
May-18					•		•	•
Jun-18						\$0.15	•	100%
Paid YTD	\$2.80	\$0.22	\$0.65	\$2.05	\$2.51	\$0.10	\$8.33	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.29	\$0.15	\$0.44	
Total fruit and service payments - 2017/18 forecast								\$8.77


Note

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

- Submit 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.
- 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 February 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 TOTAL Gold and Organic Gold FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE
Apr-17	\$2.80	\$0.16						\$2.96
May-17		\$0.13						\$0.13
Jun-17		\$0.19						\$0.19
Jul-17		\$0.04	\$0.00	\$0.93	\$0.89			\$1.87
Aug-17		\$0.29	\$0.18	\$1.46	\$0.33	\$0.02		\$2.29
Sep-17		\$0.41	\$0.02	\$1.78	\$0.20			\$2.41
Oct-17		\$0.05	\$0.24	\$0.05	\$0.61			\$0.95
Nov-17		\$0.00	\$0.02	\$1.06	\$0.54	\$0.01		\$1.62
Dec-17		\$0.01	\$0.00	\$0.00	\$0.56			\$0.56
Jan-18			\$0.01				\$0.10	\$0.11
Feb-18					\$0.51			\$0.51
Mar-18					\$0.16	\$0.00		•
Apr-18					\$0.10			•
May-18					•			•
Jun-18							\$0.15	•
Paid YTD	\$2.80	\$1.29	\$0.47	\$5.28	\$3.63	\$0.02	\$0.10	\$13.60
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.38	\$0.00	\$0.15	\$0.53
Total fruit and service payments - 2017/18 forecast								\$14.13

Zespri Gold FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE
Apr-17	\$2.80							\$2.80
May-17								\$0.00
Jun-17		-\$0.01						-\$0.01
Jul-17				\$1.23				\$1.23
Aug-17			\$0.07	\$1.23	\$0.51			\$1.81
Sep-17			\$0.01	\$1.33	\$0.94			\$2.27
Oct-17			\$0.08		\$0.64			\$0.71
Nov-17			\$0.04	\$0.95	\$0.35			\$1.34
Dec-17			\$0.00		\$0.50			\$0.49
Jan-18							\$0.10	\$0.10
Feb-18					\$0.49			\$0.49
Mar-18					\$0.14			•
Apr-18					\$0.10			•
May-18					•			•
Jun-18							\$0.15	•
Paid YTD	\$2.80	-\$0.01	\$0.19	\$4.73	\$3.42	\$0.00	\$0.10	\$11.23
Balance to pay	\$0.00	\$0.00	\$0.03	\$0.00	\$0.38	\$0.00	\$0.15	\$0.57
Total fruit and service payments - 2017/18 forecast								\$11.80

Zespri Gold3 and Organic Gold3 FEBRUARY								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE
Apr-17	\$2.80	\$0.17						\$2.97
May-17		\$0.13						\$0.13
Jun-17		\$0.19						\$0.19
Jul-17		\$0.04	\$0.00	\$0.93	\$0.89			\$1.87
Aug-17		\$0.29	\$0.18	\$1.46	\$0.33	\$0.02		\$2.29
Sep-17		\$0.41	\$0.02	\$1.78	\$0.20			\$2.41
Oct-17		\$0.05	\$0.24	\$0.05	\$0.61			\$0.95
Nov-17		\$0.00	\$0.02	\$1.06	\$0.54	\$0.01		\$1.62
Dec-17		\$0.01		\$0.00	\$0.56			\$0.56
Jan-18			\$0.01				\$0.10	\$0.11
Feb-18					\$0.51			\$0.51
Mar-18					\$0.16	\$0.00		•
Apr-18					\$0.10			•
May-18					•			•
Jun-18							\$0.15	•
Paid YTD	\$2.80	\$1.30	\$0.47	\$5.28	\$3.63	\$0.02	\$0.10	\$13.61
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.38	\$0.00	\$0.15	\$0.53
Total fruit and service payments - 2017/18 forecast								\$14.14

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

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

Full Year Return	2017/18 - February forecast							2016/17 Actual						
	Zespri Green	Zespri Organic Green	Zespri TOTAL Gold & Organic Gold	Zespri Gold	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools	Zespri Green	Zespri Organic Green	Zespri TOTAL Gold & Organic Gold	Zespri Gold & Organic Gold	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools
Total forecast:														
Total trays supplied (m)	65.1	2.8	52.6	0.3	52.3	1.2	124.4	90.8	3.9	48.5	1.7	46.8	1.5	145.9
Kilograms supplied (m)	227.9	9.7	182.7	0.9	181.8	4.3	429.6	319.0	13.7	169.0	5.4	163.7	5.3	510.8
Average size per tray	29.4	33.4	26.7	29.0	26.7	34.1		32.5	35.0	29.9	31.8	29.9	36.1	
Fruit payments (\$m)	349.9	21.0	359.4	1.9	357.5	6.8	754.9	381.0	23.5	291.0	10.0	280.9	10.2	711.9
Fruit incentives (\$m)	188.3	7.8	302.5	1.5	301.0	3.3	501.9	167.0	10.0	241.6	7.7	233.9	3.2	421.8
Service costs (\$m)	101.5	2.5	67.8	(0.0)	67.8	0.3	172.2	137.9	4.2	67.5	1.3	66.2	0.7	210.3
Fruit and service payments excl. loyalty premium (\$m)	639.6	31.3	729.7	3.4	726.3	10.4	1,429.0	685.8	37.7	600.1	19.0	581.0	14.1	1,344.0
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	
Progress payments (including GOLD ORGANIC Premium)	3.12	5.36	4.04	3.80	4.04	2.80		1.95	3.72	3.20	2.95	3.21	3.88	
Total fruit payments per net submit trays	5.37	7.61	6.84	6.60	6.84	5.60		4.20	5.97	6.00	5.75	6.01	6.68	
KiwiStart <sup>1</sup>	0.42	0.44	0.42	0.15	0.42	0.70		0.35	0.67	0.51	0.98	0.49	0.31	
Taste Zespri	2.37	2.38	5.28	4.73	5.28	2.05		1.40	1.87	4.40	3.40	4.44	1.85	
Supplier Accountability	0.11	0.03	0.05	0.07	0.05	-0.05		0.08	0.00	0.07	0.04	0.07	-0.05	
Fruit incentives	2.89	2.84	5.75	4.96	5.76	2.70		1.84	2.54	4.98	4.42	5.00	2.11	
Pack type	0.57	0.24	0.73	-0.01	0.73	0.22		0.41	0.18	0.63	0.55	0.63	0.46	
Time payment	0.98	0.66	0.56	0.00	0.57	0.00		1.10	0.88	0.76	0.20	0.78	0.00	
Service costs	1.56	0.89	1.29	-0.01	1.30	0.22		1.52	1.07	1.39	0.75	1.42	0.46	
Class 1 forecast fruit and service payments per net submit trays	9.82	11.35	13.88	11.55	13.89	8.52		7.55	9.57	12.37	10.92	12.42	9.25	
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	
Class 1 fruit and service payments with loyalty per net submit trays	10.07	11.60	14.13	11.80	14.14	8.77		7.80	9.82	12.62	11.17	12.67	9.50	
Less: onshore fruit loss	-0.13	-0.15	-0.10	-0.01	-0.10	-0.04		-0.22	-0.11	-0.11	-0.04	-0.11	-0.13	
Fruit loss percentage <sup>2</sup>	0.01	0.01	0.01	0.00	0.01	0.00		0.03	0.01	0.01	0.00	0.01	0.01	
Class 1 fruit and service payments per gross submit trays	9.94	11.45	14.03	11.79	14.04	8.73		7.59	9.70	12.51	11.13	12.56	9.38	
Plus Class 2 Return	0.10	0.11	0.09	0.11	0.09	0.07		0.08	0.18	0.06	0.11	0.05	0.04	
Plus Non-Standard Supply (NSS) <sup>3</sup>	0.01	0.03	0.01	0.00	0.01	0.02		0.00	0.02	0.00	0.08	0.00	0.02	
Plus Other Income (Non dividend) <sup>4</sup>	0.01	0.01	0.01	0.00	0.01	0.01		0.01	0.00	0.00	0.00	0.00	0.00	
Average revenue per gross submit trays	10.06	11.59	14.13	11.91	14.14	8.83		7.69	9.91	12.57	11.32	12.62	9.43	
LESS: Post-harvest costs deducted														
Base packing and packaging	-1.48	-1.53	-2.18	-2.43	-2.18	-2.17		-1.45	-1.52	-2.07	-2.33	-2.06	-2.17	
Pack differential	-0.57	-0.23	-0.72	0.01	-0.72	-0.22		-0.40	-0.18	-0.62	-0.54	-0.63	-0.45	
Base cool storage	-0.80	-0.82	-0.81	-0.67	-0.81	-0.81		-0.77	-0.79	-0.79	-0.71	-0.79	-0.80	
Logistics	-0.13	-0.14	-0.14	-0.24	-0.14	-0.14		-0.13	-0.14	-0.14	-0.23	-0.14	-0.14	
Time and CC/RK charges	-0.53	-0.27	-0.27	0.00	-0.27	-0.01		-0.56	-0.42	-0.30	-0.05	-0.31	-0.08	
Total post-harvest costs per gross submit trays	-3.52	-3.00	-4.12	-3.34	-4.13	-3.36		-3.33	-3.05	-3.93	-3.86	-3.94	-3.64	
OGR per gross submit trays	6.54	8.60	10.00	8.57	10.01	5.47		4.36	6.86	8.64	7.46	8.68	5.79	
Average industry yield per productive hectare <sup>5</sup>	8,937	5,879	11,365	9,694	11,376	6,960		12,281	7,933	11,442	10,853	11,466	7,921	
Number of productive hectares	7,382	476	4,660	30	4,629	176		7,604	502	4,277	161	4,116	195	
OGR per hectare	\$58,449	\$50,531	\$113,692	\$83,030	\$113,892	\$38,073		\$53,555	\$54,427	\$98,838	\$80,968	\$99,547	\$45,853	
Average kilogram per tray <sup>6</sup>	3.50	3.50	3.48	3.13	3.48	3.49		3.51	3.49	3.48	3.12	3.50	3.46	
OGR per kilogram	1.87	2.46	2.88	2.74	2.88	1.57		1.24	1.97	2.48	2.39	2.48	1.67	

Notes:

1. KiwiStart includes Priority Premium payments. These are period one to week 18-related payments that apply to fruit shipped in the applicable weeks and vessels. For Gold this row includes the Hort16A Equalisation Payment.

2. Fruit loss percentage includes ungraded fruit inventory losses.

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

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

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

6. Average kilograms per tray are derived using the individual size conversions published in the specific season's Pack Conversion Guide.





# The month ahead - March



In the lead up to the start of harvest, there are a number of jobs to be done and decisions to be made. Start by reviewing last year’s “The Panel: making the harvest decision” on the Canopy website. You'll find all the chapters on Canopy: Canopy > Growing Kiwifruit > Orchard Productivity > OPC Events & Webinars > 2017 Making the Harvest Decision.

Now is the time to prepare the crop, site, tools and services and the paperwork. The Month Ahead for March page on Canopy has details of what you should be preparing along with hyperlinks directly to the information for each subject.

March is also a time when some growers are asking, “Is now the time to harvest or not?” Early monitoring rounds will help you decide on whether your orchard is a serious contender for KiwiStart. Remember it is not just about dry matter - you also need to have high enough brix levels and colour.

Consider your fruit size profile - how much it is likely to increase and what will the profile look like at different

harvest dates? Will it be big enough for KiwiStart? The OPC Productivity Fruit Size Profile Calculator, Fresh Weight & Dry Matter Calculator and the OGR Estimator may help you to make predictions at different harvest dates. You'll find links to these calculators on the Month Ahead: March page on Canopy: **Canopy > Growing Kiwifruit > The Month Ahead > The Month Ahead: March.**

Finally, remember that it is very important to keep communicating with your packhouse as harvest is a carefully orchestrated process with many moving parts.

## Exploding SunGold

Last season a number of post-harvest facilities identified that some SunGold fruit were exploding in bins or during the packing process. This caused some disruption for packhouses with some loss in income for growers. The issue was investigated at the time however, given the stage in the season, it was too late to discover the root cause.

At the end of the season, OPC brought together a group of industry leaders to discuss this issue, however, no obvious cause was identified. The following actions appeared to help:

- Thinning soft fruit prior to harvest;
- Educating pickers to discard any fruit that felt too soft;
- Placing a supervisor at each bin trailer to watch for very soft fruit;
- Cleaning up any fruit that have exploded;
- Ensuring fruit are in bins for no longer than necessary;
- Packhouses placing additional staff at bin dump.

Hopefully this is not an issue we will see this season but if you do identify any unusually soft, spongy or exploding SunGold fruit on your orchard or a lot of fruit with withered stalks, please let us know as soon as possible. Email OPC@zespri.com as soon as you suspect unusual softness so that we can try to gain more insight into the underlying cause.

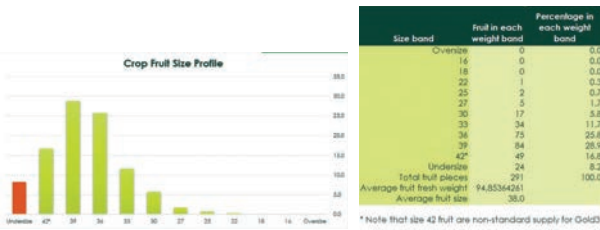
# Estimating your fruit size profile

When making the harvest decision, one of the key pieces of information you’ll need to have is an accurate picture of your fruit size profile. If you have to make a decision about select picking, understanding how much of the crop sits in each size band will heavily influence the process.

As part of the maturity clearance test, a fruit profile is provided, but we know this is not a good estimate of the actual profile of your crop. To get an accurate picture, a larger sample is necessary. OPC has developed a simple calculator to help. Enter as many fruit weights as you like and the calculator will give you a size profile for the crop. The more fruit you weigh the better – we suggest between 200 and 500 fruit. You can find the Fruit Size Profile Calculator on Canopy: Canopy > Zespri & The Kiwifruit Industry > Tools & Calculators > Calculators & Apps > Fruit Size Profile Calculator.

You can also use the OPC productivity calculators to predict final fruit weight at a defined harvest date and the OGR Estimator to look at different harvest scenarios.

Making a smart harvest decision is the final part you play in the journey of your crop to market.



A view of OPC's fruit profile calculator.

## Have you read the latest Kiwifruit Journal?

- Articles in the February/March Kiwifruit Journal include information on:
- Welcome to the future – how orchards could be set to change
  - Making a mature decision – how to know when to harvest your fruit?
  - Select picking – a view from the industry
  - Have your cake and eat it too - pre-harvest reminders
  - Climate change and kiwifruit

If you're not receiving a copy of the Kiwifruit Journal please email OPC@zespri.com. The magazine is free for industry and is a great source of information on the latest research, industry issues and grower stories.



## Global OPC Conference

Most growers will be familiar with the OPC team in New Zealand. However what some growers might not know is the New Zealand team is part of a larger global OPC team with people in France, Italy, China, Japan and Korea. This month the small, isolated global teams came together at a conference in Tauranga to discuss technical and extension experiences, do some professional development and build relationships with their global peers. Several of the workshop sessions included how to better leverage information and ideas across the various teams to encourage the ‘cross pollination’ of information, and ensure Zespri-branded fruit is always the best available.

The teams also shared details on trials underway in different growing countries as well as how they share information with growers. They presented new systems, which once fully implemented, will help growers to globally benchmark themselves against other growers.

The group also travelled to key sites including the Plant & Food Research canopy management multifactorial trial

in Te Puke. The group viewed pre-commercial varieties and orchards with different growing systems to learn more about the pros and cons of each system.



The global OPC teams sharing information and building relationships.







# ZGS market update

## Asia ZGS update

In Japan, urbanisation is helping to change both land ownership structures and the way Zespri fruit will be grown in future. Japanese production has been declining since 2012 due to grower age and Psa. Last season, productive kiwifruit hectares and gold volumes fell to 213,000 trays. However, as Japanese horticulturalists leave the business, new, larger SunGold orchards are ramping up production and volumes will increase further next season.

Zespri Japan supply manager Brian McGillivray says history helps to explain the industry's future in Japan. Following WWII, small parcels of land were allocated to farmers who could often eke out only a marginal living from their property. In most cases, their children have moved off the land, into cities or other jobs. "Large corporations are now starting to realise the potential of food production in Japan," Brian says.

"Increasingly, we see a move away from the old small-scale farming model, to a new more corporate approach to growing. Young people coming through and working in corporate operations are more likely to work with

machinery and technology which enables large scale operations."

He says Hiroto (Hiro) Ischimasa, a MiKiwi employee, is an example of someone living in rural Japan who has found a serious career pathway in kiwifruit.

"Hiro started working very early with our partner MiKiwi (part of the New Zealand Jace Group) in Miyazaki. Training means he knows how to use machinery to develop kiwifruit orchards, is learning English and managing people. Hiro recently got married and had his first child and has a bright future ahead of him in this industry."

Productive hectares continue to decrease as the older Japanese Hort16A growers exit the business. New SunGold orchards came into first production this year and now make up 7 percent of the total gold crop, set to increase as vines enter full production. Meanwhile, Korea has enjoyed a relatively good season, achieving 105 percent of projected volumes, at 530,000 Class 1 trays. There was a notable improvement in packout rates due to improved inventory management.



MiKiwi team member, Hiroto Ischimasa working on the vines in Japan.

## Europe ZGS update

Italian fruit yields have been affected by a string of badly-timed frosts and the subsequent heat wave that hit Zespri suppliers.

"Like kicking a guy when he's down," is the way Zespri Global Supply (ZGS) European manager, Craig Thompson describes last year's weather events in the central Italian province of Latina.

Yet, despite frosts affecting 40 per cent of productive gold hectares in Italy, Class 1 volumes increased by 23 per cent over the previous season, to 4.8 million trays. Dry matter averages were above target, too. The typically more temperate Latina region where most of Zespri's fruit is grown was struck by three frosts in a row on the eve of SunGold flowering. A slight variation in wind direction and changing polar airflows resulted in damage to almost all parts of the region, from the coast to the mountains. To top this off, the Italians experienced one of the hottest, driest summers on record; during July and August, the mercury frequently exceeded 40 degrees.

Craig says the difficult weather reduced Italian green supply to 330,000 tonnes, considerably lower than the 400,000-plus tonnes seen in previous seasons, with a significant shift to a smaller size profile. Consequently, green sales are much lower than last year as Zespri's European customers are reluctant to buy the smaller available sizes.

But the weather effects were patchy.

"Interestingly, growers in the northern regions of Italy had little to no impact from frost," he says. "This is the opposite to historical events, when the area can be compared to growing kiwifruit in Canterbury in New Zealand."

Psa continues to affect northern Italy's growers and Verona vine decline is affecting crops throughout Verona and Piedmont with losses

increasing by the year. Some local suppliers are suggesting the total demise of future kiwifruit production in these regions.

Late spring frosts also hit France, though the news there is generally better. Class 1 volumes increased by 25 percent to 428,000 trays compared to last year, despite the frosts. While Italian growers have shunned overhead water frost protection, fearing it increases Psa risk, the French have embraced it. All French growers use overhead sprinklers and, despite suffering even more severe frost conditions than their European neighbours, they managed to protect sensitive growth.

For green crops, average fruit size is 39 while the European market is now awash with size 46 and 49 fruit.

Anyone who managed to achieve reasonable green yields is enjoying some of the best returns in European kiwifruit production; the orchard gate return equivalent is the same or better than New Zealand. In other good news, the focus on SunGold vine management has resulted in an average size of 32. While this is small compared to New Zealand, it remains the best of the European kiwifruit varieties.

"For growers who were less fortunate with the weather, it's been a year of frustration and some hardship. We're seeing cut backs in orchard inputs and families pitching in to work longer hours on their orchards."

Across all four producing ZGS nations – Japan, Korea, France and Italy - overall Class 1 gold volumes increased by 20 per cent, to six million trays. Packout rates were significantly better across all regions, thanks to improved harvest and inventory management.

# Free morning tea celebrates free training

ZESPRI IN THE COMMUNITY

Young Mount Maunganui surf club members clinked smoothie glasses earlier this month, to celebrate receiving thousands of free training hours. About 150 children and their families started their Sunday with a healthy morning tea – including fresh fruit, muffins and smoothies mixed on modified bicycles – courtesy of Zespri. All Eastern Region clubs had been invited to submit a video explaining why they should receive a celebratory morning tea shout from Zespri and the Mount club members won the judges over.

As well as running the morning tea shout competition, Zespri

has paid for hundreds of volunteer lifeguards to clock up 3,600 hours of training across the Eastern Region in the past 12 months. For two years, Zespri has been funding lifeguard training for East Coast clubs stretching from Coromandel to Gisborne. This sponsorship is now entering its third year and Zespri hopes to fund even more courses this year, committing around \$350,000 over the three years.

Surf Life Saving New Zealand's Eastern Region Manager Chris Emmett says the Zespri funding has allowed lifeguards to gain essential skills without any financial burden.

"Training and advanced courses can be fairly expensive for clubs and lifeguards so we're incredibly fortunate here. Our lifeguards already donate their time to patrol beaches and they already have to pay a membership fee so it's really nice that Zespri covers this training cost for them."

Zespri offers an additional eight scholarships to those highly skilled club members who complete an invitation-only advanced lifeguard award course. Each scholarship is valued at \$400. It also provides scholarships for locals to take part in the annual BP Leaders for Life programme.



Thirsty work: handing out refreshments.



On the beach: supporting young lifesavers.



Morning tea: with 150 children and their families.



# Plant & Food Research scientists win Prime Minister's Science Prize

Plant & Food Research's science response to the outbreak of Psa, which included its role in developing SunGold which is more resilient to Psa, earned it the New Zealand Prime Minister's

Science Prize, presented at a ceremony held earlier this month. To read the full article on the NZ Farmer website visit: [goo.gl/6comdp](http://goo.gl/6comdp) (type into your internet browser window).



Zespri Innovation Leader - Science and Innovation, Bryan Parkes, accepting the science prize from New Zealand Prime Minister, Jacinda Ardern.

# Opotiki growers take top sustainable kiwifruit award

Award-winning kiwifruit grower Mark White previously managed 700 postal workers in Auckland city. Now, he and wife Catriona grow certified organic kiwifruit on an idyllic orchard near Opotiki.

On 16 February the couple won the Zespri kiwifruit orchard category at the Bay of Plenty-wide Ballance Farm Environment Awards event in Tauranga. The awards celebrate farmers and growers who promote sustainable land practices.

It all began when the Whites arrived from the city more than a decade ago, looking for a new kind of life.

"In Auckland I had a very busy job and hardly got to see the kids," the Mark says. "So we looked all round New Zealand for any kind of business that would enable us to spend more time as a family while still putting food on the table.

"Trina's parents said, why don't you come home and grow kiwifruit." Catriona's great-grandparents originally broke in land in the Eastern Bay of Plenty and her parents still farm dairy cows and grow kiwifruit organically next door.

So the couple purchased a block of family land, planted shelterbelts in grassy fields and added kiwifruit vines, while Mark spent two years studying to gain a national horticulture qualification. Catriona's parents and other local orchardists generously shared their knowledge. Mark says his father-in-law began experimenting with biodynamic growing methods many years earlier.

Zespri Chief Innovation and Sustainability Officer Carol Ward is thrilled to see the Whites recognised with this award.

"Mark and Catriona run a sustainable, high-performing orchard and generously share their knowledge with their fellow growers, as well as being organic kiwifruit ambassadors with our offshore customers. Some of our growers are doing amazing things in sustainable land use and supporting this award helps to share these stories in the industry and wider."



BOP Ballance Award celebrates sustainable practice

## Postgraduate Science Scholarship opportunity

Help grow New Zealand's primary industries

Masters up to \$12,000      PhD up to \$50,000

**Register your interest by 12 March 2018**

Full details at [www.mpi.govt.nz/postgraduate-science-scholarship](http://www.mpi.govt.nz/postgraduate-science-scholarship)

Ministry for Primary Industries  
Manatū Ahu Matua

## Keep in touch

KVH provides different ways for you to keep up-to-date with all topics related to biosecurity and vine health. We regularly publish articles in our online Newsroom and you can sign up to our e-news Bulletin for fortnightly updates. Follow us on social media for biosecurity tips and news. To subscribe and find out more, visit our website at [www.kvh.org.nz](http://www.kvh.org.nz) or phone 0800 665 825.

# Keep sending shiploads of BMSB packing



KVH has congratulated the Ministry for Primary Industries (MPI) for taking the right action in turning back ships which arrived at our ports carrying hundreds of unwanted pests.

By mid-February MPI had already turned around two large cargo vessels. One of the most damaging pests to the kiwifruit and wider horticultural industries – the Brown Marmorated Stink Bug (BMSB) – was discovered hitchhiking on both ships, as well as in used vehicles onboard.

The ongoing diligence of MPI to detect these stink bugs at the border is pleasing. We fully support the serious steps MPI has been taking to prevent BMSB arrivals, including requiring vessels to carry out treatment offshore before being allowed to return to our ports. These decisions may not always be popular with those importing goods but the rules are very clear and they are stringent for a reason. Unwanted pests like BMSB could cost the New Zealand economy into the hundred millions, heavily affecting growers' livelihoods should it establish here.

KVH has been working hard to raise awareness of the threat and impact of BMSB crossing our borders. This work has included meeting with importers and transporters of machinery and other high-risk goods to ensure they are fully aware of the biosecurity measures they must take.

KVH has also been working with kiwifruit growers, Zespri, MPI and the wider kiwifruit industry to ensure preparedness for BMSB by running educational campaigns and simulation exercises. More information about BMSB, our preparedness activities and a video showing the destructive impacts BMSB has had on kiwifruit orchards overseas can be viewed online at [www.kvh.org.nz/bmsb](http://www.kvh.org.nz/bmsb).



BMSB is about the size of a ten cent coin.

# Measuring Psa weather risk online



Developed as a weather-based decision support system, the online Psa Risk Model helps growers with orchard management in a Psa environment. It includes weather station data and forecast details to provide disease information and interpretations.

Psa risk displayed by the model is influenced by both temperature and wetness. Where temperatures are above 20 degrees, infection is unlikely (based on the Psa growth model research) so the model has recently often recorded light risk, even during days of rain. The online model has been checked by experts and has been accurately recording risk through warm and wet weather.

Growers can hover over the models 'Predicted Temperatures Plot' to determine forecast temperatures and where the mean day/night is 20 degrees or more, growers will notice the risk drops significantly.



Psa symptom of red exudate.

# Unusual symptoms made simple



When unusual symptoms are reported to KVH, by growers, contractors, packhouse staff and others visiting orchards, we investigate to see if there are any biosecurity risks for growers. Early reporting means that we can run a thorough process and support the growers if action is needed.

KVH prepares full reports on every investigation. These can now be read on our website via a new, handy and simple table, which summarises unusual symptoms seen on kiwifruit orchards and includes many photos.

This information is provided to help growers identify similar symptoms they may be seeing on their own properties, as well as encouraging people to report any unusual signs of disease or unwanted pests.



Cupped leaves from vines on a Gold3 orchard.



Contact Industry Liaison Team Leader Tom MacMorran (027 511 2005) or Grower Liaison Managers: Sue Groenewald (027 493 1987), Sylvia Warren (022 101 8550) or Jane Ritchie (027 511 1056).

# Q.&A. from the field



- Q1: What additional premium do Organic Gold3 growers receive? And do KiwiStart organic orchards receive a KiwiStart premium?**
- A1:** Organic Gold3 fruit and service payments are the same as conventional Gold3 fruit and service payments, except that the Organic Gold3 fruit receives a \$2 premium per tray. Any KiwiStart organic orchard would receive KiwiStart premiums much like a conventional KiwiStart orchard, with an additional \$2 per tray organic premium.
- Q2: I am an organic grower. Why does my spray diary fail every year?**
- A2:** All organic spray diaries will fail their main audit every year. Each spray diary needs to be manually cleared by the Crop Protection Advisor pending a clear residue test result. For any queries regarding spray diaries, please contact Jemma Pryor, Crop Protection Advisor on 027 283 6292.
- Q3: Do I need to record a clean-up spray in my spray diary? I am not sure exactly what day I will be spraying and harvesting, or what the weather conditions will be.**
- A3:** Every spray should be recorded in your electronic spray diary. Clean-up sprays can be recorded in the spray diary as a 'Proposed Spray' with estimated weather conditions.

 **Add Information To Spray Diary**

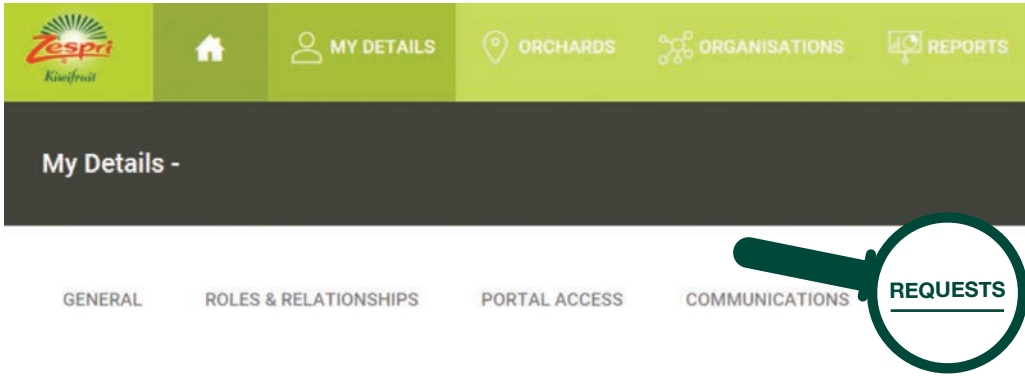
Add Spray Line

Fruit Set

Add Proposed Spray

It is important that the clean-up spray is recorded at the **earliest** possible date the orchard could be harvested. Once submitted, the spray diary will be cleared to pick **the following day** after the proposed spray date (assuming there are no longer pre-harvest intervals from other products).

- Q4: How do I know if Zespri has received my Zespri Landowner/Lessee and KPIN registration form?**
- A4:** Log into the Canopy website and go into the Industry Portal. Under the 'Requests' tab, you will be able to view the status of whether your KPIN/Landowner/Lessee registration forms have been received and processed.



- Q5: I need to log in to the Canopy to access the Industry Portal and/or my spray diary but I've forgotten my password. What do I do?**
- A5:** Go to canopy.zespri.com. Remember that your password is case sensitive. If you have forgotten your password and need to reset it you will need to call Zespri Grower Support Services on 0800 155 355 between the hours of 8am – 5pm, Monday to Friday, or email [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com).

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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  
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## Zespri Grower Tour 2019 and the Rugby World Cup

As mentioned in the December KIWIFLIER, Zespri is hosting a grower tour to Japan and South Korea in October 2019. The proposed tour is planned for mid-October to early November and will coincide with the Rugby World Cup in Japan. As part of the tour package, the plan is to secure tickets for the semi-final and the final matches in Japan. Very limited spaces are still available. However, the timeframe is now tight to secure these last few spots. If you are interested, please contact Grower Services Coordinator Jenny Beirne **ASAP** on 027 836 3426 or [jenny.beirne@zespri.com](mailto:jenny.beirne@zespri.com).

### Hosts for onshore customer tours

The Zespri Grower Liaison Team and Zespri Tours teams are looking for growers interested in hosting tour groups on orchards.

The Zespri tours programme collectively hosts wholesalers, distributors, retailers, media, health specialists, growers and educational groups from all around the world and we are currently seeking expressions of interest from growers who wish to be part of the programme for the 2018 season. The tour season starts from February and runs through to May each year.

What is required of tour group hosts? You will be providing:

- Orchard overviews
- Explanations of the timely seasonal operations
- Summaries of other interesting on orchard activities (such as girdling)
- Answering questions about general orcharding

Our on-orchard tour hosts will also be supported by a Zespri Grower Liaison Manager.

On-orchard visits are central to the tour programme which provides our guests with

an invaluable opportunity to experience an on orchard experience first-hand. With your help, we can show our visitors the quality and taste which underpin the Zespri brand as well as the excellent people who make it happen.

Grower Don Heslop has been part of the Zespri tour programme for a number of years and says, "We love meeting new people from around the world and learning of the passion they have for our product."

"I also like to share with them my passion for growing kiwifruit. It is exciting to see how much they enjoy coming to see the orchards here in New Zealand and hearing about their end of the supply chain. We are looking forward to hosting more tour groups and connecting with our various stakeholders."

Another highlight for our visitors is joining their hosts for an informal lunch or dinner at the grower's home, which is fully catered by our expert catering company. Our guests really enjoy the opportunity to meet grower families and learn about the Kiwi lifestyle.

**To register your interest to be part of the programme please email Grower Services Coordinator Jenny Beirne - [jenny.beirne@zespri.com](mailto:jenny.beirne@zespri.com).**



Jeff Roderick under the vines with customer tour.

## Italian grower tour launches ZGS season

A group of 20 Italian representative growers marked the beginning of Zespri's annual Zespri Global Supply (ZGS) tours programme in February, sharing industry knowledge between New Zealand and our offshore growing partners.

According to Zespri guest and grower, Claudio Nicoletti, the Italian group found the tour to be an "invaluable experience" with "many take-home outcomes." The innovation and technical knowledge shared by New Zealand growers served to catalyse deep discussion and engagement from the Italian contingent.

This year will see Zespri bring about 120 people from five nations onto New Zealand kiwifruit orchards and related businesses including coolstores, nurseries and retailers. Zespri Global Production Manager Shane Max says our offshore partners – growers, postharvest operators and supply chain staff – arrive thirsty for knowledge.

"They're very focused on understanding the difference between a good and a bad orchard, how to grow better fruit and more of it and they want to meet the people who are doing it well here," he says.

"This kind of face-to-face, practical, on-the-ground technical advice helps our overseas growers produce plenty of top quality fruit and ensures Zespri's standards are maintained throughout the supply chain. Twelve-month supply is vital for our business and these tours share best practice and

the latest developments in our industry."

This year, New Zealand industry people will host Zespri delegates from Korea, Japan, China, France and Italy. Some will look at greenfield orchard development, others will focus on PsA management or grafting, often including a hands-on component. Several of the groups will visit an iwi-owned orchard on the outskirts of Tauranga.

He says tours are carefully tailored to meet to the specific needs of each group.

"For instance, the Korean contingent who arrive in March will travel to Gisborne because conditions there are very similar to their main growing region. And the Italians particularly want to see young nurseries and how we've dealt with PsA."



Italian growers mark the beginning of ZGS tours programme.