

October forecast: average returns holding steady

The Zespri Board of Directors have approved the October forecast for the 2018/19 season, with returns per tray (on average) for Green, SunGold and Organic Green holding steady versus the previous forecast.

The average Green return is \$5.47 per tray and \$64,127 per hectare. The final shipment is expected to be completed by mid-November.

Organic Green is forecast at an average return of \$8.67 per tray and \$68,860 per hectare.

The forecast average return for SunGold is \$10.28 per tray and \$137,865 per hectare. Programmes are nearing completion with around 64 million trays sold as *Kiwiflier* went to print.

The Green14 forecast has increased to an average return of \$7.11 per tray, reflecting updated costs as the season closes. The average return per hectare is \$45,544.

The total fruit and service payment excluding the loyalty premium is forecast at \$1,742.3 million, compared with \$1,754.3 million in the August forecast.

See page two for CEO Dan Mathieson's commentary on market performance.

Second interim dividend payment

The Board resolved to pay a fully imputed interim

dividend relating to the 2018/19 financial year of 16 cents per share. The payment date is 14 December and it is payable to all holders of fully paid ordinary shares in the Company who are registered as holders of such shares in the share register of the Company on 7 December 2018. Please note that this second interim dividend payment includes licence revenue from the deferred 2016 licence payments.

Forecast profit and dividend range

The forecast range of corporate net profit after tax for the year ending 31 March 2019 is \$175 million to \$180 million, including license release income. The Board approved a forecast dividend range of 135 to 140 cents per share for the year ended 31 March 2019. This is inclusive of the 98 cents per share interim dividend paid in August 2018, based on the current shares on issue of 120,717,335. The dividend per share range will be reset based on the ordinary shares on issue after the settlement of the share offer and buy-back programme.

AVERAGE ORCHARD GATE RETURN Fruit and Service Payments plus the loyalty premium, less post-harvest costs				
Pools	March 2018 final	August 2018 forecast	October 2018 forecast	Variance between August 2018 forecast and October 2018 forecast
Zespri Green	\$59,981 per ha \$6.71 per tray	\$64,455 per ha \$5.47 per tray	\$64,127 per ha \$5.47 per tray	-\$328 per ha \$0.00 per tray
Zespri Organic Green	\$52,375 per ha \$8.93 per tray	\$69,663 per ha \$8.67 per tray	\$68,860 per ha \$8.67 per tray	-\$803 per ha \$0.00 per tray
Zespri SunGold ¹	\$114,345 per ha \$10.06 per tray	\$138,973 per ha \$10.28 per tray	\$137,865 per ha \$10.28 per tray	-\$1,108 per ha \$0.00 per tray
Zespri Green14	\$38,937 per ha \$5.61 per tray	\$43,876 per ha \$6.85 per tray	\$45,544 per ha \$7.11 per tray	+\$1,668 per ha \$0.27 per tray

1 - March 2018 includes Hort16A variety.

Peter McBride to be succeeded by Bruce Cameron as Zespri Chairman

After more than five years as Zespri Chairman, Peter McBride has announced he will step down from the role in February 2019.

Having been a Director of Zespri since 2002, Peter has helped lead Zespri through a period of significant growth, with the organisation rebounding from the threat of PsA and focussing on meeting consumer demand for Zespri Kiwifruit for all 12 months of the year. Peter will also retire as a Director of Zespri at the next Annual Meeting in July 2019.

Reflecting on his Chairmanship, Peter says, "It has been a real privilege for me to serve the

New Zealand kiwifruit industry as the Chairman of Zespri. Together we have faced some incredible challenges, confronted some historical structural issues and sought to make the most of our opportunities."

The Zespri Board has confirmed that current Deputy Chairman Bruce Cameron will succeed Peter as Chairman. As a long-time kiwifruit grower and a Director of Zespri since 2010, Bruce knows the kiwifruit industry inside and out, and will ensure Zespri continues to have the strong leadership and experience required to support its future strategic direction.



Bruce Cameron to be appointed new Zespri Chairman.



Chairman Peter McBride to step down in February 2019.

Tauranga Moana biosecurity celebration

National and international biosecurity experts converged on Tauranga in mid-October for a series of biosecurity-related events and the launch of a new initiative.

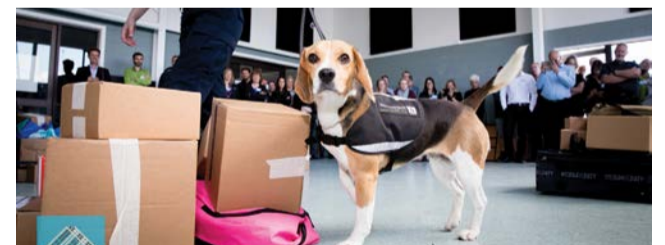
Local and national government, iwi, businesses and other organisations including Zespri and KVH have banded together to form Tauranga Moana Biosecurity Capital (TMBC) to tackle the threat of invasive pests and diseases. It is the first group of its kind in New Zealand.

The partnership will promote and coordinate biosecurity actions across Tauranga Moana. In practice, that means increasing local awareness about why biosecurity matters deeply to all of us who live here and just what would be lost if exotic pests enter or establish here. The groups are standing shoulder-to-shoulder and saying it's essential that we pool our expertise and resources for the sake of the environment, our taonga, and our economy.

One of the priorities for TMBC was overseeing Biosecurity Week activities including industry training days and public events, conferences and information sessions involving kiwifruit and forestry industries, iwi, the Port of Tauranga, school children and more. Read more about other Biosecurity Week activities on page 11.



Attendees at the launch, surrounded by local school children entries in the 'bad bug' colouring competition.



Detector dogs showcase their BMSB hunting talent during a display at the launch.



Biosecurity Minister Damien O'Connor launches Tauranga Moana Biosecurity Capital.

From the markets

Market commentary from **CEO Dan Mathieson**

Acceleration in Green run rates as Zespri focuses on close out to the New Zealand season.

Year-to-date sales as of week 43 have reached around 128 million trays, with an acceleration in Green sales in recent weeks. We delivered over 3 million trays of Green in Week 41 and Week 43, helped by strong performance in Europe and Japan. Deliveries in China have also been picking up following the week-long mid-autumn festival holiday.

SunGold sales are nearing completion, with year-to-date volumes sold at nearly 64 million trays. We are also pleased to see Organic Green and Organic SunGold tracking well.

We have seen a strong performance across all markets this year with excellent planned year on year growth in both value and volume. In addition to the planned growth Europe, Japan, Korea, and Australia picked up proportionally more of the extra volume as the crop increased during the season. Japan is a particular highlight, with sales volumes set to establish a significant new record of over 28

million trays. It is a credit to the Japan team's results in delivering really effective consumer marketing campaigns, supported by strong partnerships. Europe should be recognised for its contribution to the strong organic returns this season, China for its contribution to SunGold value and US for implementation of its increased demand growth developed from the planned significant increase in SunGold.

The competitive environment remains quite challenging, including from winter fruits such as apples and pears, as we look out to the end of the season. Our sales and marketing teams are working hard on tactical programmes to drive sales, particularly for Green. This includes maintaining a strong instore presence, ongoing sampling programmes and various consumer promotions.

Another area of significant focus is on managing quality as we move into the later part of the season. Zespri is very closely monitoring fruit firmness and defects in Green at ECPI and through to the

markets. Firmness of shipped fruit is still performing relatively well versus previous years so far, but this is a critical issue as we work to ensure high-quality supply to our customers right through to the end of the season.

With the ZGS harvest well underway, teams are also starting the transition to non-New Zealand supply. The first deliveries are underway and we're really satisfied with indications so far in terms of the taste profile of the crop.

All in all, we are working really hard to finish the New Zealand season well and transition smoothly to ZGS supply. The increase in ZGS volume this season, driven by SunGold supply from Italy, is very positive as we work to optimise our marketing and brand investment, retain shelf space and serve customers and consumers 12 months of the year and provide sustainable returns to our growers all around the world.

Europe



The ceramic love bowl - an initiative designed to boost Zespri Green sales.

What better way to serve up Zespri Kiwifruit to our special people than in a love-heart-shaped bowl? And what better way to attract the attention of influencers and consumer press journalists?

"The ceramic love bowl's objective is to boost Zespri Green sales and to get people talking about Zespri," says Marketing Executive Ellen Van Loooveren. It comes with a booklet - produced in collaboration with illustrator and influencer Tokyobanhao - that includes recipes and blank pages for adding family-favourites.

Ellen says the bowl, booklet, and Zespri Green Kiwifruit were delivered to 100 journalists and other influencers. A dedicated page has been set up on the French website to tell the love bowl story and includes a digital contest with bowls and booklets as prizes. Consumers can also get a bowl from 120 Grand Frais stores when buying Zespri Green Kiwifruit.

Carrefour is one of Zespri's most loyal partners in Europe, representing approximately 25 percent of the **Belgian** retail market. The team in Belgium set up the first edition of the Carrefour-Zespri display contest. Stores were able to register through a Zespri-developed online tool to receive their Zespri POS material.

Stores let their creativity flow, creating interesting displays while boosting in-store visibility and brand imagery.



A tractor and orchard display - part of the Carrefour-Zespri display contest.

Taiwan

SunGold Kiwifruit packaged in specially designed gift packaging for the Taiwanese Moon Festival sold out quickly during a sales promotion in **Taiwan**, during September.

The Moon Festival (or harvest festival) is celebrated with family and steeped in tradition.

The kiwifruit packaging created a unique difference between Zespri Kiwifruit and competitors. Feedback was overwhelmingly positive from customers.



Bespoke Taiwanese Moon Festival packaging.

Singapore



Zespri's human pinball machine.

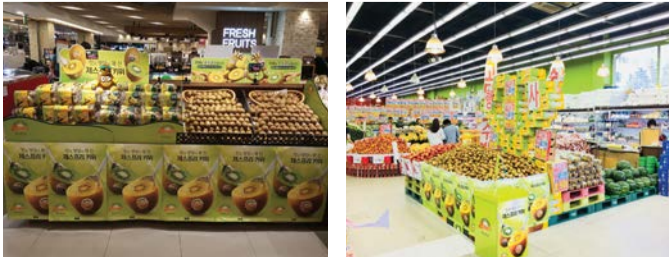
Zespri's team in **Singapore**, together with 592 kiwifruit fans, recently created a national record for the largest human pinball game in the Singapore Book of Records. Measuring 15.9m x 7.5m, the giant playing field was powered entirely by people. The idea behind creating a human pinball was to encourage Singaporeans to feel alive, healthy and be part of something unique.

The game featured five active stations, made up of teams of 10 people, trying to win best game or best-dressed team.

There was a neon-lit photo booth, invigorating fitness classes, an all-ages dance party and delicious Zespri Kiwifruit popsicles, acai bowls and canapés to showcase the versatility of our fruit.

Korea

In order to improve visibility with bigger and better shelf-space, Zespri **Korea** ran a merchandising competition with independent large supermarkets. Based on results from merchandising, sales records, most frequent flyer advertisements and sales increases, the Zespri team selected 20 supermarket stores and gave them a prize. The images below show some of the merchandising examples.



Northern Hemisphere kiwifruit harvest well underway

The harvest of Zespri Kiwifruit from Northern Hemisphere orchards is well underway, with total volumes expected to reach more than 19 million trays this season.

Chief International Production Officer Sheila McCann-Morrison says the increased volumes demonstrate the progress being made on Zespri's global supply strategy of providing consumers with Zespri Kiwifruit for all twelve months of the year.

"This year's Northern Hemisphere harvest is expected to exceed 19.1 million trays, which is almost 25 percent up on the 15.4 million trays recorded in 2017/18. This includes close to 10.5 million trays of SunGold compared to 6.3 million trays last year and eight million trays of Green kiwifruit versus nine million last year. We are looking forward to completing the New Zealand season by the end of the year while transitioning to supply from our Northern Hemisphere locations."

"Growth in our offshore supply allows us to meet increasing consumer demand for our premium quality kiwifruit and ensure that our brand remains top of mind in the three-to-four months of the year when our New Zealand-grown kiwifruit is unavailable. Ultimately, this is trying to meet the needs of our consumers and support sustainable long-term returns for our non-New Zealand and New Zealand-grown crop," Sheila says.

Europe remains Zespri's most significant source of non-New Zealand-grown kiwifruit, with Italy supplying more than 90 percent of our total volumes and more than nine million trays of SunGold.

"In addition to expanding our production in current key European locations, particularly in Italy, we are running trials in new growing locations to determine whether we can successfully diversify our supply. We believe this will allow us to mitigate risks like pests and adverse weather events and also bring our supply closer to market," says Sheila.

Outside of Europe, we expect to see continued growth in Asia and are focused on increasing the supply of SunGold in Japan and South Korea to meet strong demand. We'll also continue to explore the potential for a 12-month supply programme in China. A proof of concept trial in China is nearing completion, working with local partners to assess local Chinese varieties to determine whether we can sustainably grow Zespri-quality fruit. We've also started production trials in Oregon and California in the US, which has become one of our most significant new growth markets due to demand for SunGold.

We continue to invest strongly in supporting our partners around the world with technical advice to maximise their returns.



Harvesting of SunGold is underway in the Northern Hemisphere.

Taste and preferred profile for 2019

Chief Market Performance Officer Linda Mills says the better taste profile of the 2018 season was helpful in delivering the season.

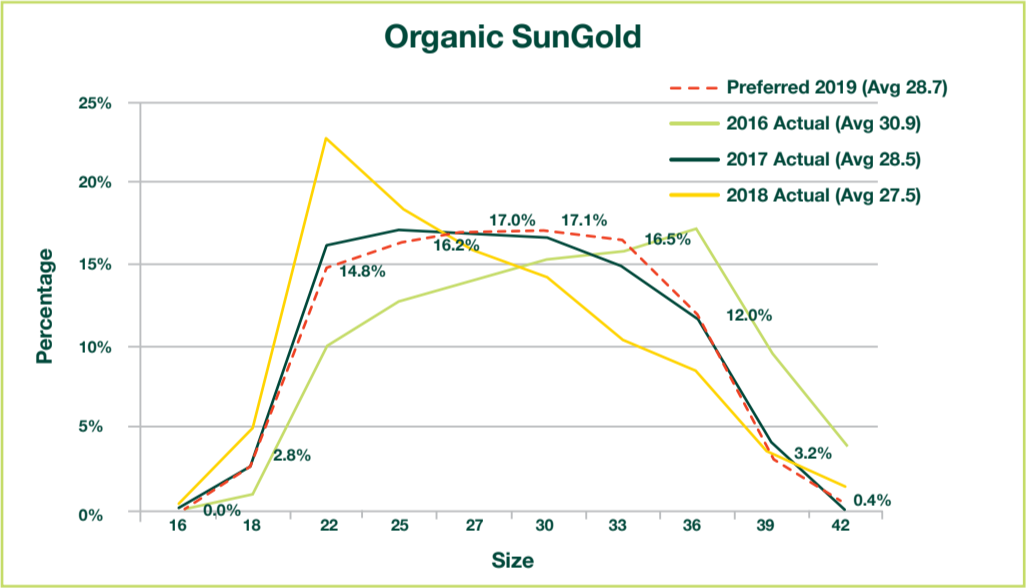
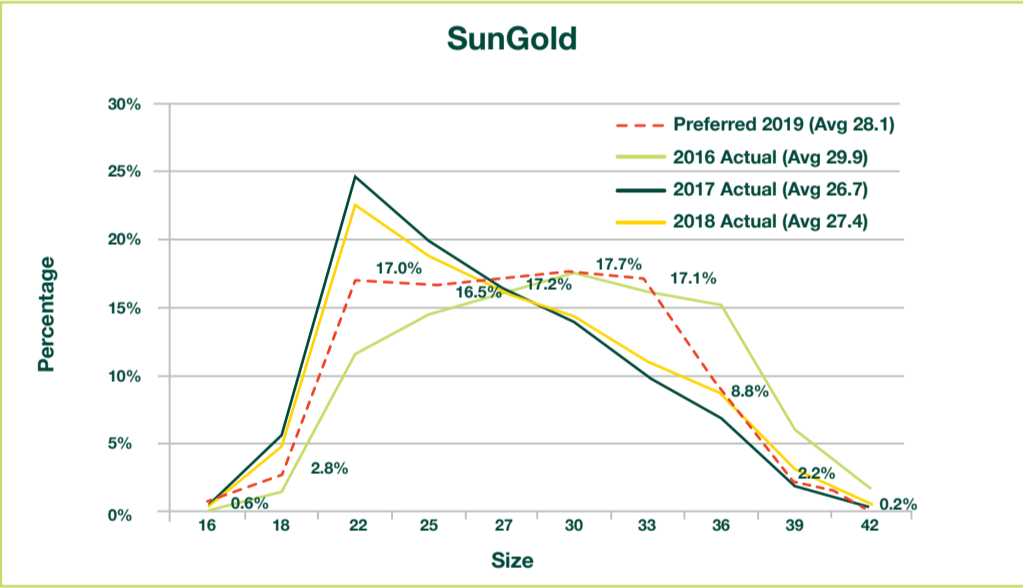
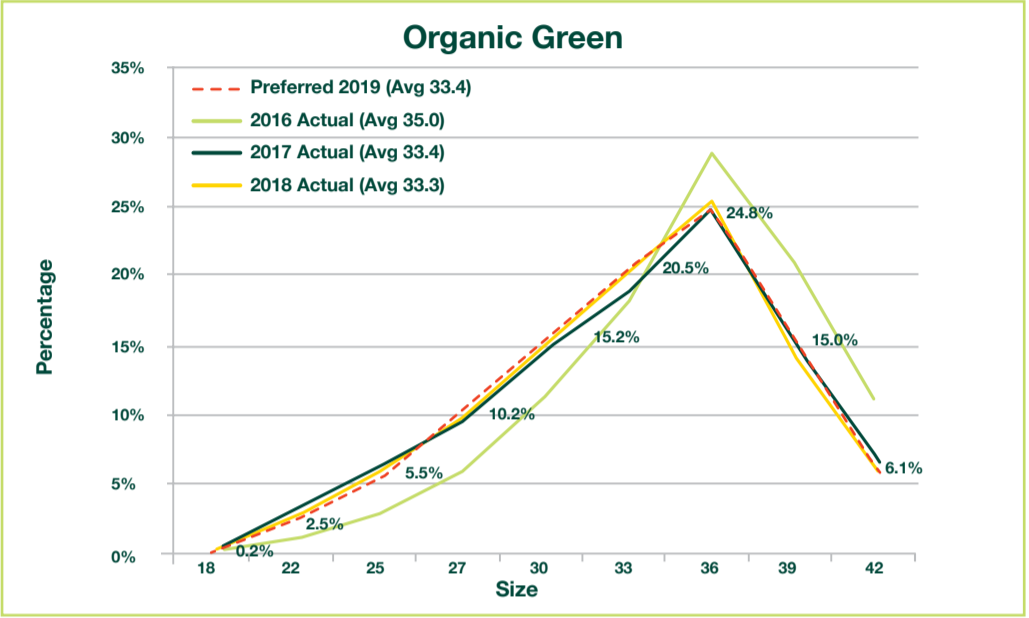
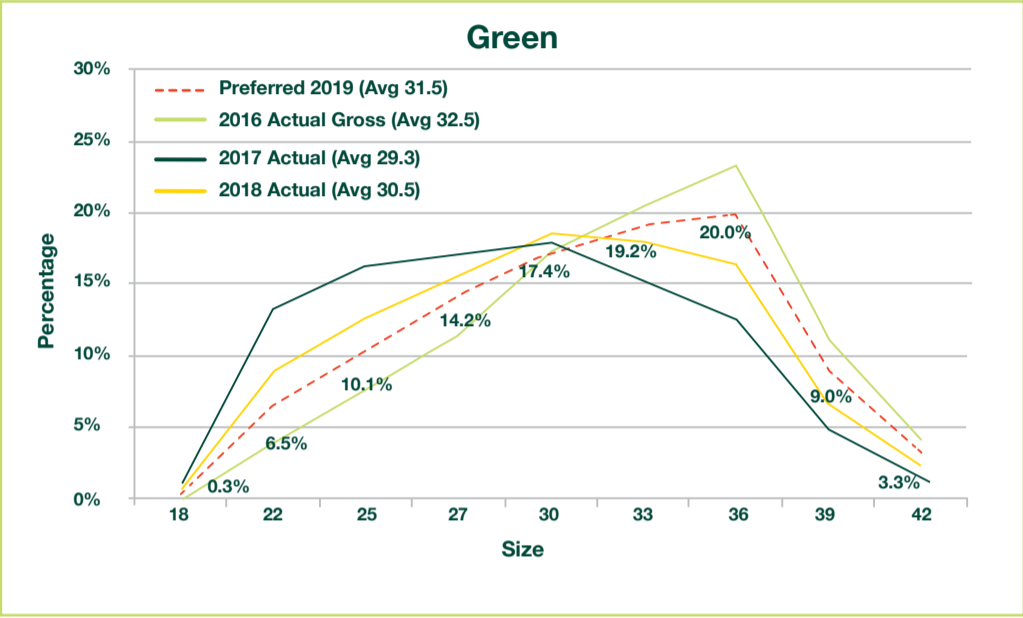
“The markets welcomed the improved taste for the 2018 crop but we can’t stress enough the importance of continuing to improve our competitive advantage by providing a consistently great eating experience for our consumers. Markets have also continued to build demand

for the larger sized crop profiles that have been seen over the past two seasons, however the preference remains closer to the profiles of 2016 for conventional.”

As a result of the 2018 season and considering the market allocations planned for 2019, the following are the updated comments and charts for the preferred profiles for 2019.

- For the 2018 season the SunGold crop was again much larger than the preferred profile. The 2019 preferred profile is at a 28.1 average size and a 28.7 average size for Organic SunGold.
- Green was also larger than the 2019 preferred profile which is at a 31.5 average size.
- Organic Green average size was about right in 2018 and the markets are looking for the same size in the 2019 season.

- There is demand for a larger Sweet Green crop, closer to a 33 average size.
- The charts below show the actual profiles for each fruit group for 2016, 2017 and 2018 and indicate the preferred profile for 2019. The percentage values shown on the charts are for the preferred 2019 profiles.



Don't miss the November grower ROADSHOW

Zespri's grower roadshows are an opportunity to meet and hear from CEO Dan Mathieson on this season and the outlook for our industry and receive an update on the October forecast for the 2018/19 season. Additional evening meetings have been added for growers who would like extra time to talk with Zespri representatives.

Date	Venue	Time
Monday 26 November	Nelson - Top 10 Holiday Park, 10 Fearon Street, Motueka	11am – 1pm
	Waikato - Mighty River Domain, Lake Karapiro, 601 Maungatautari Road, Cambridge	9am – 11am
Tuesday 27 November	Kerikeri - The Centre, 43 Cobham Road, Kerikeri	6:30pm – 8:30pm
	Whangarei - Northland Hockey Association, 45 Park Avenue, Kensington, Whangarei	9am – 11am
Wednesday 28 November	Auckland - Pukekohe Park Raceway, 222-250 Manukau Road, Pukekohe	1:30pm – 3:30pm
	Katikati - Katikati Rugby Club, Moore Park, Fairview Road, Katikati	6:30pm – 8:30pm
	Hawke's Bay - The Crown Hotel, Corner Bridge Street and Hardinge Road, Ahuriri, Napier	10:15am – 12:15pm
Thursday 29 November	Gisborne - Bushmere Arms Hotel, Main Road, Waerengahika	5pm – 7pm
	Opotiki - Opotiki Golf Club, Fromow Road, Opotiki	10am – 12pm
Friday 30 November	Edgecumbe - Awakeri Events Centre, Edgecumbe	2pm – 4pm
Monday 3 December	Te Puke - The Orchard, 20 MacLoughlin Drive, Te Puke	10am – 12pm
	Tauranga - Tauranga Racecourse, Cameron Road, Greerton, Tauranga	6pm – 8pm
	Whanganui - Quality Inn, 122 Liverpool Street, Whanganui	5:30pm – 7:30pm

2018/19 Season Return Analysis

Class 1 - Approved Progress Payment 15 November 2018	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.08	\$0.05	\$0.10	\$0.10	\$0.05	\$0.05	No payment
Zespri Organic Green	\$0.54	\$1.20	\$0.55	\$0.50	\$0.60	\$0.60	\$0.05
Zespri Gold3 and Organic Gold3	\$0.21	\$0.20	\$0.20	\$0.25	\$0.20	\$0.25	No supply
Zespri Green14	\$0.32	\$0.40	\$0.40	\$0.35	\$0.30	\$0.30	\$0.25

Class 1 - Indicative Progress Payment 14 December 2018	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.06	No payment	\$0.10	\$0.10	No payment	No payment	No payment
Zespri Organic Green	\$0.30	\$0.50	\$0.45	\$0.25	\$0.30	\$0.30	\$0.15
Zespri Gold3 and Organic Gold3	\$0.24	\$0.20	\$0.25	\$0.35	\$0.05	\$0.20	No supply
Zespri Green14	\$0.26	\$0.20	\$0.30	\$0.30	\$0.25	\$0.25	\$0.20

- 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.

Class 2 - Approved Progress Payment 15 November 2018	Average on Net Submit	16/18/22	27	30	33	36	39	42
Class 2 Green	\$0.49	\$0.40	No payment	No payment	\$1.40	\$1.00	\$1.50	\$2.00
Class 2 Organic Green	\$3.86	\$2.80	\$4.00	\$4.10	\$4.10	\$4.00	\$3.15	\$3.20
Class 2 Gold3	\$2.93	\$3.10	\$3.00	\$2.90	\$3.00	\$1.75	\$5.80	No supply
Class 2 Organic Gold3	\$4.56	\$4.80	\$4.10	\$4.00	\$6.40	\$6.00	No supply	No supply

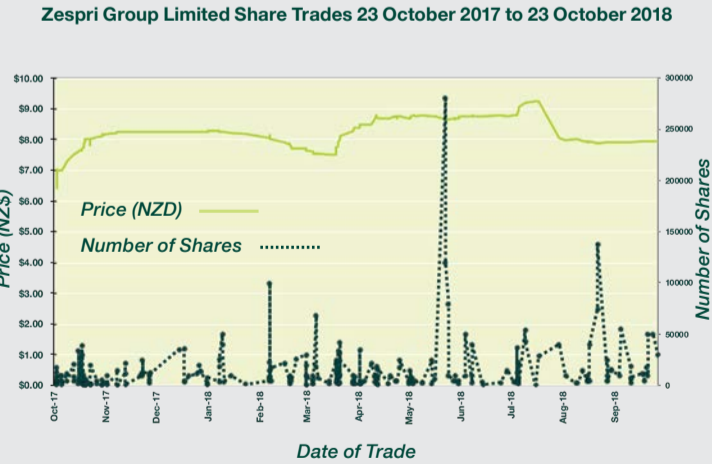
SHARE BRIEFS

As at **23 October 2018** the last Zespri share price trade was **\$7.95** traded on **18 October 2018**. There were seven buyers at **\$7.96, \$7.95, \$7.94, \$7.93, \$7.88, \$7.85 and \$7.80**. There were five sellers at **\$8.00, \$8.02, \$8.05, \$9.20 and \$9.25**.

To trade Zespri shares, please contact one of the registered USX brokers – see <https://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 USX and the corresponding number of shares for each trade.



Want to see current buyers and sellers?

To get a list of the price for current buyers and sellers and the associated shares go to <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 current market depth information as at **23 October 2018**.

Quote Line at Tuesday 23 October						
Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	7.960	8.000	7.950	7.900	7.900	0

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	8,700	7.960	8.000	4,700	1
1	30,082	7.950	8.020	2,700	1
1	24,000	7.940	8.050	5,000	1
1	7,000	7.930	9.200	10,000	1
1	2,540	7.880			
1	5,000	7.850			
1	5,000	7.800			

Last 10 Trades			
Date/Time	Quantity	Price (\$)	Value (\$)
18/10/18	30,000	7.950	238,500.000
15/10/18	50,000	7.930	396,500.000
12/10/18	50,000	7.930	396,500.000
12/10/18	10,000	7.950	79,500.000
11/10/18	18,200	7.930	144,326.000
10/10/18	5,000	7.950	39,750.000
9/10/18	12,000	7.950	95,400.000
20/09/18	15,385	7.900	121,541.500
20/09/18	15,000	7.900	118,500.000
18/09/18	5,000	7.900	39,500.000

Director share trading

For the month of August (as at **23 October**), 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 - anytime 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.

Non-Standard Supply - Approved Progress Payment 15 November 2018	42	46
Zespri Green		\$1.70
Zespri Organic Green		\$2.80
Zespri Gold3	\$2.40	
Zespri Organic Gold3	\$3.60	

Financial commentary

Progress payments

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

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

November 2018 approved progress payments on Net Submit trays

Approved per tray progress payments for 15 November 2018.

Class 1	
Zespri Green	\$0.08
Zespri Organic Green	\$0.54
Zespri Gold3 and Organic Gold3	\$0.21
Zespri Green14	\$0.32

December 2018 indicative progress payments on Net Submit trays

Indicative per tray progress payments for 14 December 2018.

Class 1	
Zespri Green	\$0.06
Zespri Organic Green	\$0.30
Zespri Gold3 and Organic Gold3	\$0.24
Zespri Green14	\$0.26

Orchard Gate Return

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

Class 1 Fruit and Service Payments and Timings


(including Loyalty Premium)

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

- 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 2018/19 October 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 Green OCTOBER								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-18	\$2.25	\$0.01					\$2.26	25%
May-18		\$0.09					\$0.09	26%
Jun-18		\$0.09	\$0.00				\$0.09	27%
Jul-18		\$0.01		\$0.35	\$0.72		\$1.08	39%
Aug-18		\$0.09	\$0.20	\$0.53	\$0.09		\$0.92	49%
Sept-18		\$0.13	\$0.02	\$0.36	\$0.10		\$0.60	55%
Oct-18		\$0.48	\$0.22	\$0.47	\$0.05		\$1.22	69%
Nov-18		•	•	•	\$0.08		•	•
Dec-18		•	•	•	\$0.06		•	89%
Jan-19			•			\$0.10	•	•
Feb-19			•		•		•	•
Mar-19					•		•	96%
Apr-19					•		•	•
May-19					•		•	•
Jun-19						\$0.15	•	100%
Paid YTD	\$2.25	\$0.90	\$0.44	\$1.70	\$0.96	\$0.00	\$6.26	
Balance to pay	\$0.00	\$0.79	\$0.09	\$0.83	\$0.91	\$0.25	\$2.87	
Total fruit and service payments - 2018/19 forecast							\$9.13	

Zespri Gold3 and Organic Gold3 OCTOBER									
 ISO Month	Submit	Pack and Time	KiwStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-18	\$2.80	\$0.12	\$0.00					\$2.92	20%
May-18		\$0.14						\$0.14	21%
Jun-18		\$0.18						\$0.18	22%
Jul-18		\$0.03		\$1.00	\$0.91			\$1.94	35%
Aug-18		\$0.24	\$0.23	\$1.50	\$0.48	\$0.02		\$2.46	52%
Sep-18		\$0.26	\$0.01	\$1.47	\$0.52			\$2.26	68%
Oct-18		\$0.45	\$0.26	\$0.54	\$0.33			\$1.58	78%
Nov-18		•	•	•	\$0.21	•		•	•
Dec-18		•	•	•	\$0.24			•	91%
Jan-19			•				\$0.10	•	•
Feb-19			•		•			•	•
Mar-19					•	•		•	98%
Apr-19					•			•	•
May-19					•			•	•
Jun-19							\$0.15	•	100%
Paid YTD	\$2.80	\$1.41	\$0.49	\$4.50	\$2.25	\$0.02	\$0.00	\$11.47	
Balance to pay	\$0.00	\$0.14	\$0.05	\$1.26	\$1.48	\$0.01	\$0.25	\$3.19	
Total fruit and service payments - 2018/19 forecast								\$14.65	

Zespri Organic Green OCTOBER								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-18	\$2.25	\$0.00					\$2.25	19%
May-18		\$0.03					\$0.03	19%
Jun-18		\$0.03					\$0.03	20%
Jul-18		\$0.00		\$0.39	\$0.80		\$1.19	30%
Aug-18		\$0.09	\$0.35	\$0.67	\$0.67		\$1.78	45%
Sept-18		\$0.23	\$0.00	\$0.90	\$0.35		\$1.48	58%
Oct-18		\$0.36	\$0.41	\$0.54	\$0.56		\$1.87	74%
Nov-18		•	•	•	\$0.54		•	•
Dec-18		•	•	•	\$0.30		•	90%
Jan-19			•			\$0.10	•	•
Feb-19			•		•		•	•
Mar-19					•		•	97%
Apr-19					•		•	•
May-19					•		•	•
Jun-19						\$0.15	•	100%
Paid YTD	\$2.25	\$0.75	\$0.76	\$2.50	\$2.37	\$0.00	\$8.63	
Balance to pay	\$0.00	\$0.23	\$0.01	\$0.84	\$1.76	\$0.25	\$3.09	
Total fruit and service payments - 2018/19 forecast							\$11.72	

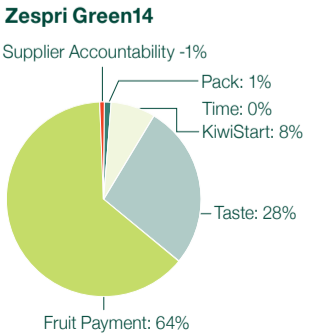
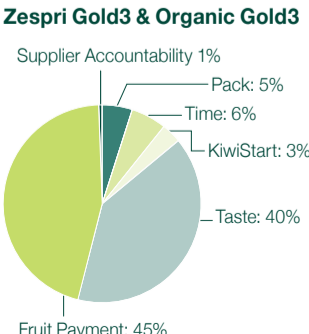
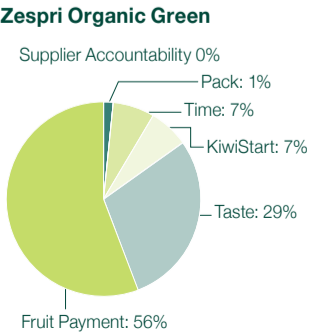
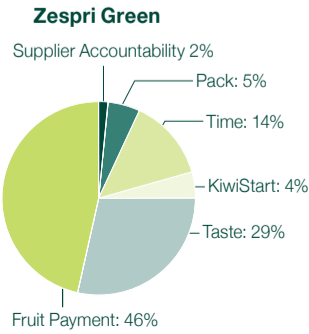
Zespri Green14 OCTOBER								
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-18	\$2.80	\$0.06					\$2.86	28%
May-18		\$0.07					\$0.07	29%
Jun-18		\$0.00					\$0.00	29%
Jul-18				\$0.70	\$0.28		\$0.98	38%
Aug-18		\$0.00	\$0.27	\$0.70	\$0.65		\$1.62	54%
Sept-18			-\$0.01	\$0.81	\$1.05		\$1.85	72%
Oct-18			\$0.38		\$0.42		\$0.80	80%
Nov-18		•	•	•	\$0.32		•	•
Dec-18		•	•	•	\$0.26		•	91%
Jan-19			•			\$0.10	•	•
Feb-19			•		•		•	•
Mar-19					•		•	97%
Apr-19					•		•	•
May-19					•		•	•
Jun-19						\$0.15	•	100%
Paid YTD	\$2.80	\$0.13	\$0.64	\$2.21	\$2.40	\$0.00	\$8.17	
Balance to pay	\$0.00	\$0.00	\$0.03	\$0.55	\$1.21	\$0.25	\$2.05	
Total fruit and service payments - 2018/19 forecast							\$10.22	

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

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

2018/19 Season Grower Payments Portions - Total Fruit and Service Payments

2018/19 October Forecast



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

Full Year Return		2018/19 - October Forecast					2017/18 Actual				
		Zespri Green	Zespri Organic Green	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools	Zespri Green	Zespri Organic Green	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools ⁷
Total forecast:											
Total trays supplied (m)		81.5	3.5	66.0	0.9	154.5	65.1	2.8	52.3	1.2	124.4
Kilograms supplied (m)		286.5	12.4	230.0	3.1	539.6	227.9	9.7	181.8	4.3	429.6
Average size per tray		30.6	33.4	27.3	35.4		29.4	33.4	26.7	34.1	
Fruit payments (\$m)		336.5	22.5	432.2	5.7	813.8	348.3	21.3	358.8	6.9	756.0
Fruit incentives (\$m)		249.7	14.5	416.5	3.1	684.9	192.7	7.8	301.2	3.3	506.5
Service costs (\$m)		137.8	3.4	102.1	0.1	243.6	101.2	2.4	67.4	0.3	171.5
Fruit and service payments excl. loyalty premium (\$m)		724.0	40.4	950.8	8.9	1,742.3	642.1	31.6	727.5	10.5	1,434.0
Total forecast per tray (\$):											
1	Submit payment	2.25	2.25	2.80	2.80		2.25	2.25	2.80	2.80	
	Progress payments (including GOLD ORGANIC Premium)	1.88	4.13	3.75	3.61		3.10	5.47	4.06	2.88	2
	Total fruit payments per net submit trays	4.13	6.38	6.55	6.41		5.35	7.72	6.86	5.68	
3	KiwiStart ¹	0.39	0.76	0.47	0.75		0.42	0.44	0.42	0.70	
	Taste Zespri	2.53	3.34	5.76	2.76		2.37	2.38	5.29	2.05	4
5	Supplier Accountability	0.14	0.01	0.08	-0.08		0.17	0.03	0.06	-0.05	
	Fruit incentives	3.06	4.11	6.31	3.44		2.96	2.84	5.76	2.70	
	Pack type	0.48	0.18	0.71	0.12		0.57	0.24	0.73	0.22	6
7	Time payment	1.21	0.80	0.84	0.00		0.98	0.63	0.56	0.00	
	Service costs	1.69	0.98	1.55	0.12		1.55	0.87	1.29	0.22	
	Class 1 forecast fruit and service payments per net submit trays	8.88	11.47	14.40	9.97		9.86	11.43	13.92	8.60	
	Loyalty premium	0.25	0.25	0.25	0.25		0.28	0.28	0.28	0.28	8
	Class 1 fruit and service payments with loyalty per net submit trays	9.13	11.72	14.65	10.22		10.14	11.71	14.20	8.88	
9	Less: onshore fruit loss	-0.26	-0.12	-0.22	-0.02		-0.13	-0.12	-0.10	-0.02	
	Fruit loss percentage ²	2.90%	1.00%	1.50%	0.16%		1.30%	1.03%	0.74%	0.23%	
	Class 1 fruit and service payments per gross submit trays	8.87	11.60	14.43	10.20		10.01	11.59	14.09	8.86	
	Plus Class 2 return	0.13	0.18	0.09	0.09		0.17	0.30	0.09	0.09	10
11	Plus Non-Standard Supply (NSS) ³	0.01	0.02	0.04	0.01		0.00	0.03	0.02	0.01	
	Plus Other Income (Non dividend) ⁴	0.01	0.01	0.02	0.01		0.01	0.01	0.01	0.01	
	Average revenue per gross submit trays	9.01	11.81	14.59	10.31		10.19	11.93	14.21	8.97	
	LESS: Post-harvest costs deducted										
	Base packing and packaging	-1.47	-1.55	-2.23	-2.09		-1.49	-1.54	-2.18	-2.18	12
13	Pack differential	-0.46	-0.18	-0.70	-0.12		-0.57	-0.23	-0.72	-0.22	
	Base cool storage	-0.82	-0.83	-0.83	-0.81		-0.81	-0.82	-0.81	-0.81	14
15	Logistics	-0.14	-0.15	-0.15	-0.14		-0.13	-0.14	-0.14	-0.13	
	Time and CC/RK charges	-0.66	-0.44	-0.40	-0.03		-0.48	-0.26	-0.28	-0.01	16
	Total post-harvest costs per gross submit trays	-3.54	-3.14	-4.31	-3.20		-3.48	-2.99	-4.14	-3.36	
17	OGR per gross submit trays	5.47	8.67	10.28	7.11		6.71	8.93	10.07	5.61	
	Average industry yield per productive hectare ⁵	11,720	7,943	13,413	6,404		8,937	5,862	11,377	6,941	
	Number of productive hectares	7,163	448	4,996	139		7,382	476	4,629	176	
	OGR per hectare	\$64,127	\$68,860	\$137,865	\$45,544		\$59,981	\$52,375	\$114,553	\$38,937	18
	Average kilogram per tray ⁶	3.52	3.51	3.48	3.49		3.50	3.50	3.48	3.49	
	OGR per kilogram	1.56	2.47	2.95	2.04		1.92	2.55	2.89	1.61	

Notes:

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

2. Fruit loss percentage includes ungraded fruit inventory losses.

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

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

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

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

7. Last year "all pools" column includes Hort16A which is excluded from the Gold3 column.

Understanding the Orchard Gate Return (OGR) Payments table

The Orchard Gate Return (OGR) table shown each month in KIWIFLIER is based on payments made to each variety divided by trays supplied, giving an average payment per tray of kiwifruit supplied. An individual grower can then compare their payments to an industry average payment as a guide to understanding their own particulars.

1 Submit payments A payment paid when fruit is submitted into post-harvest inventory and reversed on fruit loss.	6 Pack type The intention of the pack payment, known as the pack differential is to fairly compensate for the differential cost of packing different pack types.	10 Plus Class 2 return Class 2 kiwifruit is fruit that doesn't qualify for inclusion in Class 1 as it doesn't satisfy all characteristics of that variety e.g. defects in shape, colouring, skin etc.	14 Base cool storage Coolstores utilising refrigerated air are used to enable kiwifruit to store longer.
2 Progress payments Discretionary monthly payments based on forecast market returns.	7 Time payment A payment compensation for the costs associated with storing and supplying kiwifruit over time.	11 Plus non-standard supply (NSS) Fruit outside the Zespri Class 1 standard supply specification because of size and/or taste. Zespri purchases NSS fruit by way of a Service Level Agreement (SLA) depending on market demand.	15 Logistics Kiwifruit moving from coolstore to FOBS.
3 KiwiStart A commercial incentive paid for harvesting fruit early.	8 Loyalty premium A mechanism that allows growers who have entered into a three-year rolling loyalty contract with Zespri to share in a portion of Zespri's corporate profit.	12 Base packing and packaging Pricing for packing is set by post-harvest operators based on the charge for a base pack per variety.	16 Time and CC/RK charges Storage and conditional checking.
4 Taste Zespri Taste Zespri Grade (TZG) is an initiative to ensure great tasting fruit for repeat purchase by consumers. The higher the fruit taste, the higher the payment.	9 Less: onshore fruit loss The value of the difference between the amount of fruit that is submitted, compared to the amount of fruit that is shipped.	13 Pack differential The differential cost between the base pack of each variety and an alternative pack.	17 OGR per gross submit trays The total average amount of money that flows through the orchard gate prior to paying on-orchard costs, reported on submitted trays.
5 Supplier accountability An in-market fruit inspection system put in place to support the supply of good quality fruit to the markets.			18 OGR per hectare OGR per tray calculated above, multiplied by the average yield per productive hectare.



The month ahead – November

Key topics included in the ‘month ahead’ page for November are below — for more details, check out the Canopy website > Canopy > growing kiwifruit > the month ahead: November.



Pollination: Good quality hives and high levels of bee activity are essential when relying on bees for pollination. Have your hives audited (with permission from your beekeeper) as soon as possible after they arrive. If they are substandard, promptly arrange replacements or additions. You only get one chance each season to pollinate, so getting it right is essential.

Make water available for bees, before the hives are put into your orchard.

Have a read through the KiwiBasics Pollination publication. It's a good document that summarises everything OPC know about pollination. This is on the Canopy website > Zespri & The Kiwifruit Industry > Publications > KiwiBasics.

Canopy management: Develop a low vigour canopy that will require minimal work over the

summer. Ripping unwanted vegetative growth and tip squeezing any non-terminated fruiting canes that are not needed for replacement, is considered a low-risk canopy management strategy from a Psa infection perspective.

To find out more about the fundamentals of the job and some techniques growers use to manage their own canopies, watch the Canopy Management videos on the Canopy > Growing Kiwifruit > Orchard Productivity > Videos > Canopy Management & Pruning Videos.

Give clear, simple instructions to your employees. To help, show them the new canopy management pruning diagrams available on the Canopy > Growing Kiwifruit > Orchard Management > Canopy Management & Pruning > Spring & Summer Canopies.

Crop protection: Stay bee-safe. We need bees! Please make sure you're not putting hives at risk when spraying.

Always refer to the latest version of the Crop Protection Standard. There are regular updates which you can find on the Canopy website.

Use the Spray Compatibility App (available on App Store and Google Play by searching for OPC, or on Canopy) to check what sprays can be safely combined in the tank. When low volume spraying, using a superspreader will improve coverage.

It's time to think about sclerotinia and leafroller, and if passionvine hopper nymphs have previously been a problem, monitor your orchard boundaries.

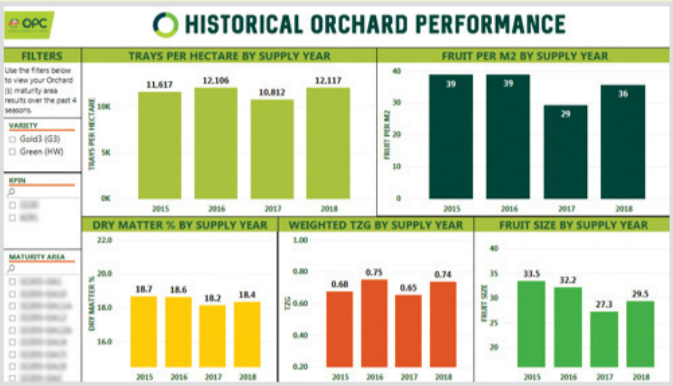
Scale: Populations are building and it's important to keep on top of them. Recent research has found that tank mixing Movento and Du-Wett is much more effective than Movento alone. Movento and Du-Wett can be safely mixed with Prodigy and applied one to two weeks before flowering.

Psa: is still active, particularly on colder sites. Remember to follow tool hygiene practices between vines and be proactive in removing infected material. An application of copper and Actigard immediately pre-flowering will assist with Psa protection during flowering. A pre-flowering trunk girdle 30-days before female flowering in Hayward and Green14 can mitigate the impacts of budrot – ensure you use good technique and apply in fine weather.



Benchmarking reports are here

A reminder for growers to take a look at benchmarking reports through the Industry Portal located on the Canopy website.



If you have any problems or questions about accessing the Industry Portal, please call Grower Support Services on 0800 155 355.

What’s your strategy?

With iprodione removed from the crop protection standard this season, how will you manage 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 kiwifruit flowers. Under very warm or wet conditions this infection can be severe, resulting in rots.

How do I minimise infection?

Hopefully by now you’ve developed your sclerotinia management strategy, including cultural tools like sward management and maintaining open canopies. Both these have proven to be very effective but require some forward thinking.

Agrichemical options

The period leading up to flowering is your key opportunity to use agrichemical control options. Now that iprodione (Rovral/ Ippon 500 Defence 500 Rapid 500) is not allowed, getting on top of the issue early is even more important.

What are the agrichemical options?

- Floupyram (Luna Privilege, pre-flowering only)
- Tea tree oil (Timorex Gold, during flowering)
- Trifloxystrobin (Flint/Provita/Triplus, during flowering)
- Ulocladium sp. (Botry-Zen, during flowering)

Timorex Gold may be approved for post-flowering application under justified approval, although use in this period has not been tested and will be at grower’s own risk. Contact the Zespri crop protection team to discuss.

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

- Kiwitech Bulletin N12 – Sclerotinia
- KiwiGreen Factsheet – Sclerotinia

Iprodione is OUT. That means NO applications before, during or after flowering. Applications for justified approvals will be declined. This change is because Europe has changed their maximum residue limit (MRL) to effectively zero – from a very high limit previously. Last season, 150 KPINs out of a total of 276 that applied iprodione had a residue detected. Only 43 of these applications were post-flowering. This indicates that ANY use of this chemical is highly likely to result in a residue at harvest.

Successful round of spring field days

Spring is a busy time on-orchard so there has been lots to talk about during the recent Orchard Productivity (OPC) field days.

Thanks to everyone who was able to join us. The field days were well attended and provided a really valuable opportunity for growers to come together and discuss timely on-orchard activities.

To kick off the event, discussions focused on pollination, covering the basic principles, followed by sessions on how to manage pollination under hail netting and how to check if your pollination strategy is working.

Growers also participated in an exercise where they were asked to work together to develop a canopy management plan by using sticker illustrations of canopy management techniques like tip squeezing and zero leaf pruning. These plans were tailored to individual orchard layouts, crop variety, footprint vigour and labour availability.

Later, discussions focused on the increasing levels of scale being found on-orchard and the importance of monitoring, Psa, sclerotinia and

spray application. The day concluded with a tour of the host orchard and conversation about on-orchard thinning practices before growers enjoyed a tasty lunch.

If you missed the field days but are keen to know more, resources have been created by OPC and can be found on the Canopy website at: Canopy > Growing Kiwifruit > Orchard Productivity > OPC Events & Webinars.



Te Puke growers working in small groups to develop a canopy management plan for the host orchard.

Tips from growers:

- Put out solar garden lights to identify which row your beekeeper should place the hives.
- Put a lump of dirt or towel in a bucket of water for your bees. This starts to smell (which bees like) and gives them something to land on while they drink.



Katikati growers catch up over a light lunch.

Spray coverage: are you losing money by guessing?

When it comes to using agrichemicals to control pests and diseases, coverage is critical. Even if your sprayer has been recently calibrated, and you’re using all the right settings, there’s no guarantee that spray coverage will be good.

So how can you be confident that an agrichemical you or your spray contractor are spraying onto your crop is getting to all the places you need it to? You can go out and have a look at the canopy after spraying a test area (ideally with only water and adjuvant in the spray tank), and feel for dampness on various parts of the vine, but a simple tool like water sensitive paper (WSP) can provide invaluable information about spray coverage, and will allow you to fine-tune your sprayer setup and operation.

WSP comes as small strips of card made of specially coated yellow paper which turns blue when exposed to water or oil droplets. Your agrichemical retailer may have to order them in for you - don’t panic when you hear the cost, having confidence in your coverage is priceless.

You will need:

- WSP (cut in half to make them go further, stored in a re-sealable plastic bag to keep them dry).
- Latex gloves (to stop moisture and oils on your fingers turning the papers blue).
- Staple gun or drawing pins (to attach papers to the vine).
- Flagging tape (to mark where you’ve put your papers).

Position and fix the papers to whatever parts of the vine you’re targeting with the spray application. For example:

- Top and bottom surfaces of the leaves
- Crowns and nooks and crannies in leaders
- Canes
- Males

Drive the sprayer down the row, and back up the adjacent row. Once the papers are dry, collect them and assess coverage. You can rate coverage just like Goldilocks’ bears:

1. Inadequate (not enough)
2. Runoff (too much)
3. Adequate (just right)

The aim is to get no more than 10 percent of papers with inadequate coverage. If you’re seeing more than that, or too many with runoff, you’ll need to adjust your sprayer setup or operation – changing just one thing (e.g. nozzles, travel

speed, air volume, water rate) before checking again. There’s no point in changing something and not checking as you may have made the problem worse.

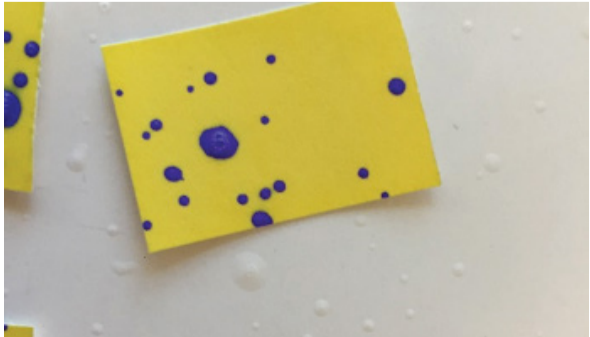
If you use a contractor for your spraying, let them know you’re going to put some papers out to check coverage. If there are gaps, you want to know about it, as gaps in coverage mean there are gaps in protection against pests and diseases.

It’s important to note that WSP give really good information about where spray droplets are going, but they won’t tell you how those droplets behave when they hit the target. This means that when you’re using an adjuvant or superspreader, the spreading that happens on leaves or canes won’t show on the papers. A visual assessment of the canopy will help with this and the papers can confirm that you’re getting good distribution of the spray plume where you want it.

Check out the **spray tech box** for more, and also see the KVH resources on assessing spray coverage – there are some great videos showing how to assess coverage in winter and summer (canes and leaders vs canopy) http://www.kvh.org.nz/spray_info.



WSP, cut in half and kept in a sealable plastic bag. We've also popped a sachet of silicon beads in (to absorb any moisture in the bag).



Papers turn blue when exposed to water or oil.

Food Act Registration: important information for growers

Food safety has always been a key part of Zespri's Good Agricultural Practice (GAP) programme for kiwifruit. Growers will be familiar with the GLOBALG.A.P requirements relating to food safety, including: staff hygiene and training, cleaning of harvest equipment, water quality, and agrichemical management.

What they may not be aware of is that the production of food, including horticultural crops, is now legislated with the implementation of the Food Act (2014) in March 2016. Under the Act, all food businesses are required to be registered with the Ministry for Primary Industries (MPI) and verified (audited) at a frequency depending on risk. For a kiwifruit grower, this means an initial registration and verification, and then renewal registration at least every two years. Zespri, as part of the New Zealand GLOBALG.A.P. National Technical Working Group has been working with MPI on a pathway to streamline both registration and verification for horticultural businesses.

Horticultural food businesses (i.e. growing kiwifruit) are required to be registered by the end of February 2019. Zespri will be facilitating registration for those growers that are part of the Zespri Option two group. Registration through Zespri is optional. Entities responsible for the crop either through ownership, lease, or management contracts are listed with Zespri as the GAP Legal Entity. This is the entity that will be registered with MPI for the purposes of the Food Act.

There are various options available for registration and verification for growers with multiple crops. Growers should seek to understand their options as it may be most practical to be registered and verified through two parties (e.g. if the grower is part of two different group schemes). If growers also have crops that are not covered by a recognised GAP programme, they will need

to be registered and verified independent of Zespri (i.e. with their local council, or with MPI if their operations cover multiple regions). Option one growers (certified by either AsureQuality or SGS) will likely already be registered via another exporter/industry body. Additional registration is not required. Option one growers that are not already registered should contact Zespri to discuss their options. Registration will require GAP legal entities to check registration data held by Zespri, make any required changes and complete a declaration.

Verification (audit) as part of the Food Act is required within 12 months of registration. For growers that are part of the Zespri Option two group, this will not commence until September 2019. GLOBALG.A.P and NZGAP are recognised under the Act as equivalent. Therefore the verification part of the requirements can be considered complete as part of a grower's annual GAP inspection. This has removed the requirement for an additional audit for all growers that are certified under one of these GAP programmes. Option two Growers should note that if they choose to register independent of Zespri (e.g. directly with their local council), then they must also be verified independently (i.e. they cannot be verified as part of the Food Act as part of their annual GAP inspection).

More communication about the registration process will be coming out soon. Growers do not need to do anything in regards to registration until this time. If you have any questions, please email preharvest@zespri.com.



Te Ranga Ngaku - University of Waikato Business School visit

Māori students from Te Ranga Ngaku - University of Waikato Business School attended a Zespri overview presentation, to hear more about the possible career opportunities that exist within the kiwifruit industry. Many students were surprised at the variety of careers that are available.



Breast cancer walk

Breast cancer touches family and friends of many New Zealanders, Zespri is no exception so we wanted to help. As part of breast cancer awareness month during October, New Zealand-based Zespri staff dressed up in their limited edition kiwifruit t-shirts kindly gifted by the Zespri France team, and donned pink accessories to take part in the annual House of Travel (HOT) pink walk. The event was a chance to walk, celebrate and remember those in our lives who have had breast cancer. Thanks to everyone who attended and donated to the Breast Cancer Foundation. It was a fabulous evening in pink.



Koura and Izzy are causing kiwi chaos

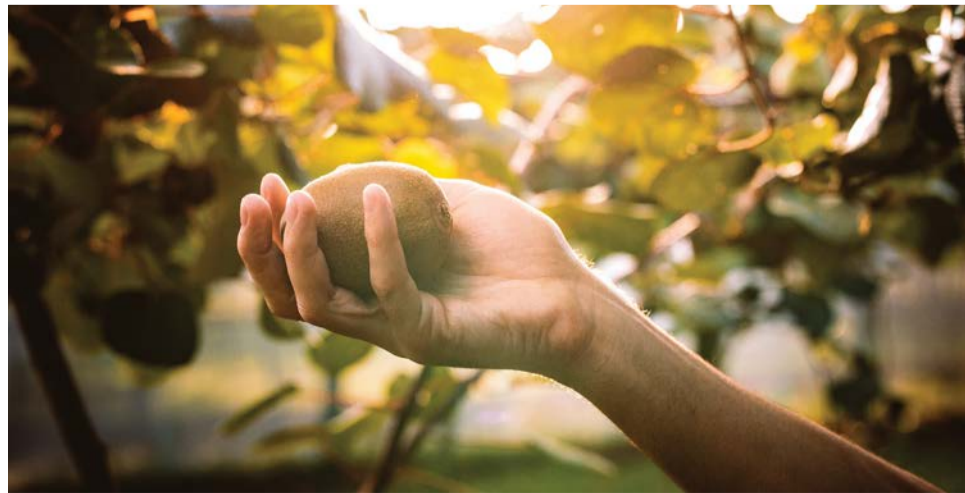
Dave Brown from Otanewainuku Kiwi Trust tells us our two kiwi birds, which were released into Otanewainuku Forest in May and September respectively, have been causing chaos. Koura, the male and the first kiwi released, has been sighted incubating an egg... watch this space as we eagerly await more news. While we know Koura is a very active kiwi, it seems Izzy (pictured below), coined 'busy Izzy' by Dave, has also given the volunteers a good run for their money. Thanks again to the Trust volunteers for their tireless work out at Otanewainuku!



NSS size 39 fruit

Decision made on SunGold Size 39s procurement

Following feedback from the market around the negative impact of low taste size 39 fruit on the category, IAC approved the decision to shift SunGold Size 39s to non-standard supply (NSS). An R band will be introduced and set at 16.6 percent dry matter to differentiate M band into acceptable and unacceptable taste. While it will be NSS, Zespri will be required to procure all Y, T and R band SunGold fruit and will not procure M band fruit. In addition, the loyalty payment will continue to be made on Y, T and R band fruit.





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

NZKGI: Your representatives, your voice

Regional and Supply representatives bring your opinion to the NZKGI Forum. Speak with them to have your voice heard.

Northland Karen Pickford | **Auckland** Monty Spencer | **Waikato** Mark Gardiner | **Waihi/Coromandel** Andrew Dawson | **Katikati** Sean Carnachan, Craig Pooley | **Tauranga** Whetu Rolleston, Mike Smith | **Te Puke** Helen Allan, Ross Bawden, Simon Cook, Tammy Hill | **Whakatane** Matt Moore | **Opotiki** Chris Anstis | **Poverty Bay** Doug Brown

| **Hawkes Bay/Lower North Island** Richard Pentreath | **South Island** Paul Thomas | **Apata** Mark Mayston | **DMS** Tony Leicester | **Eastpack** Janette Montgomery | **G6** Rob Craig | **Iwi** Neil Te Kani | **Less than 4 percent** Phil Jones | **MPAC** Sally Gardiner | **OPAC** Mike Butcher | **Seeka** Debbie Oakley | **Trevelyan's** Debbie Robinson.

Representatives' contact details:
www.nzkgi.org.nz/about or call 0800 232 505.



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

Supply Agreement training – skills you need for results you deserve

It's time to upskill on the Supply Agreement with NZKGI's successful, independent, grower focused learning and development programme. The Supply Agreement training provides growers with a good understanding of how the industry operates commercially and the role of supply entities and suppliers. Further, if attendees are directors or trustees on a supply entity, their roles in governance and managing risk for the growers is explained. External consultants to the industry such as bankers and insurers will also find the training useful in understanding all facets of the kiwifruit industry supply chain.

The Supply Agreement training aims to give attendees a greater understanding of the fundamental financial programmes within the industry: taste, KiwiStart, time, size, pooling and cashflow, so that when there is an industry initiative, they can understand and debate the concepts and proposals with confidence. Additionally, the training may trigger some ideas for improvement from orchard to supply entity.

Expressions of interest are now being sought for Supply Agreement training throughout the period August 2018 to February 2019. Growers, supply entity, supplier and other industry personnel are encouraged to attend. For more information on the training and your chance to enrol on this successful programme, visit the Performance page on www.NZKGI.org.nz.

Showcasing career options

Our innovation team hosted scholarship recipients for two days of presentations and site visits earlier this month. The students presented their research projects and PhD proposals, followed by a panel discussion with the innovation team to talk about career paths.

As part of the tour, the students visited the new MPAC post-harvest facility and had a tour of project sites that Innovation Leader - Orchard Productivity Tim Low and Innovation Leader - High Productivity Systems, David Armour, have been working on.

It was a great opportunity for the students and the innovation team to learn from each other about what is happening in our industry.



Scholarship recipients visiting Zespri's Innovation team.

Industry Supply Group (ISG) meeting 18 October

The main agenda items discussed were as follows:

- 2019 on-orchard sampling
- Maturity review update
- 2018 regional planning review
- Australia DIFOTIS
- Sub group updates
- SunGold Organic pooling
- ICP update
- New graphics changeover
- Advanced movement
- Proposed change to procurement of GA1CK-GA10B count size 39

The November ISG Meeting will be held on **Thursday 15 November**.

Changes made for 2019 grower registrations

There's been an increasing amount of feedback from the industry calling for a reduction in the amount of paperwork growers have to complete before each season. We've taken this feedback on board and have decided to stop sending paper registration forms.

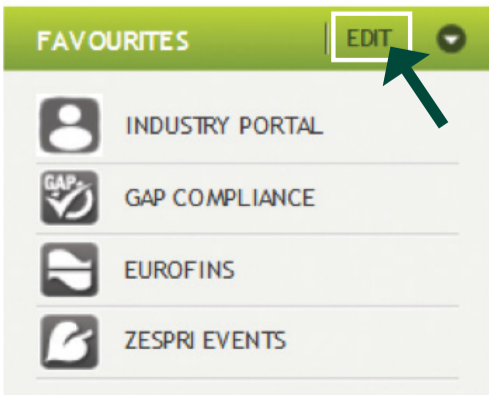
For the 2019 season and beyond, growers are encouraged to log on to the Industry Portal, which can be found through a link on the Canopy website home page. The Industry Portal contains your details and information on the orchards you own or lease.

If any of your information has changed or is going to change for the 2019 season, please update your information on the Industry Portal. You can do this by selecting the 'Request Update' button on each page. Your request will then be actioned by the Grower Support Services team.

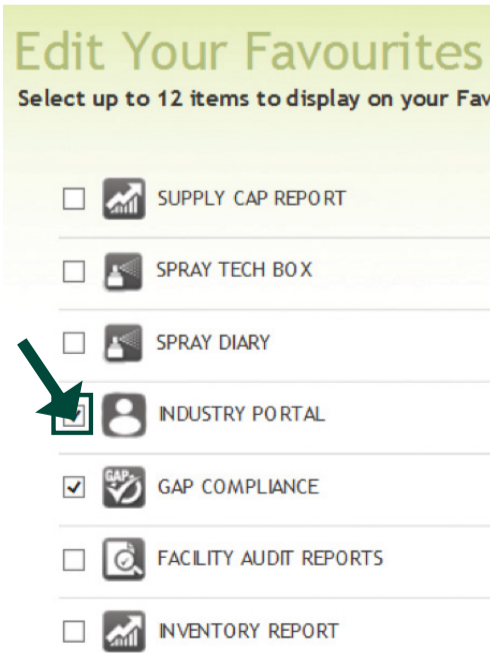
If you are unable to do this online, the Grower Support Services team are available to assist you with any queries from 8am to 5pm, Monday to Friday. Please call 0800 155 355 if you need support. It's important to notify Zespri if any of your details change.

How to add the Industry Portal to the home page of the Canopy website.

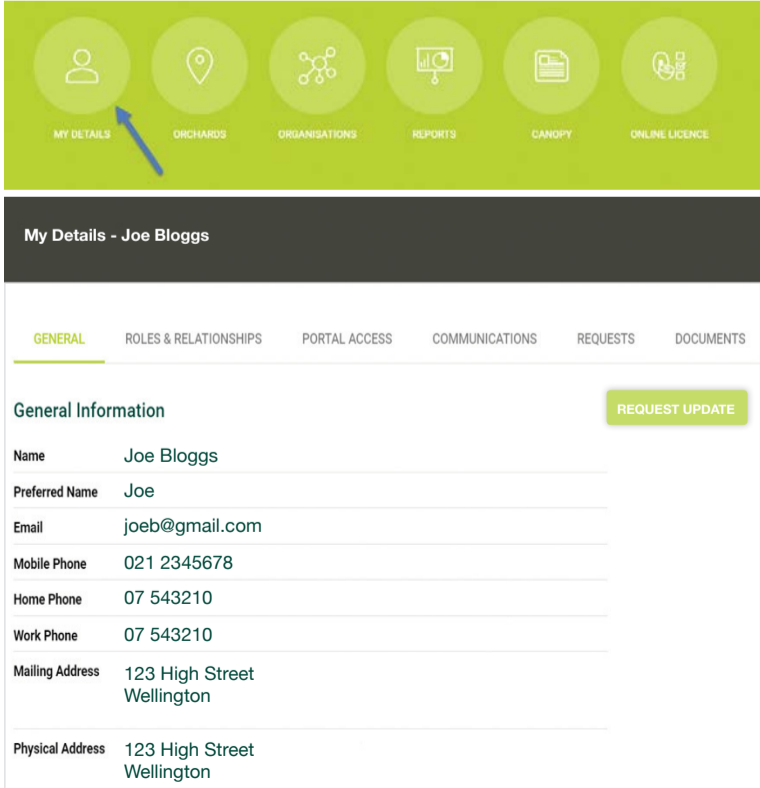
Click on the EDIT button.



Select INDUSTRY PORTAL from the list of options.



Scroll down to the bottom of the page and click DONE. The Industry Portal link will now always be on your home page and be easy to find.



To view and update information about your orchards, please click on the orchards tab, then select 'request update' and make the appropriate changes.

Grower day: be prepared and ready to respond

One of the key events held during Biosecurity Week was a full day dedicated to kiwifruit growers, providing an opportunity to learn more about initiatives underway to protect the industry from unwanted pests and diseases.

Hosted by Zespri and KVH at the Orchard Church in Te Puke, around 120 growers and industry members were treated to a series of presentations and activities that covered KVH readiness (and how this relates to Tauranga Moana Biosecurity Capital and the Ko Tātou This Is Us campaign); a fruit fly market access simulation; research into soil-borne diseases and the importance of traceability; Brown Marmorated Stink Bug (BMSB) preparedness; and the latest news and lessons from offshore.

A common theme and message that emerged from the presentations was that ‘you are your orchard’s biosecurity manager’. Several of the speakers went into detail about the importance of traceability and taking as many precautions as possible – as your orchard’s biosecurity manager, you are best placed to manage record-keeping and notice anything unusual, early enough for action to be taken. This message was particularly pertinent in relation to

soil-based pathogens such as the high-profile Brazilian Wilt and Verticillium Wilt.



Discussions also covered another well-known threat, the unwanted BMSB which is spreading across orchards and urban areas in Europe and the USA. Matt Dyck, Biosecurity Manager from KVH, talked about the fact that although risk is increasing (as populations expand), New Zealand and the kiwifruit industry’s tools and knowledge are also increasing, and we now have several layers of preparedness in place including international, New Zealand, and industry research initiatives.

Following on from BMSB presentations from KVH and an international update from Zespri Global Production Manager Shane Max, guest speaker Dr Anne Nielsen from the Department of Entomology at Rutgers University in New Jersey talked about her research into the behaviour of insects like BMSB and management programmes that are both economically and environmentally sustainable. Anne went into useful and interesting detail about environmental DNA (eDNA), an emerging surveillance tool that has proven highly useful in detecting the presence of aquatic invasive species.

Attendees hear that eDNA has a proven track record of detecting critical invasive species in aquatic ecosystems, even when they are at abundances far below what direct monitoring can detect. Anne and the team at Rutgers are adapting known eDNA techniques to monitor the spread of agricultural pest insects and to detect the presence of BMSB at lower abundances than the current direct monitoring can achieve (pheromone and light traps), with the goal of being able to take early action before populations explode.



A packed house at the Orchard Church in Te Puke for the grower biosecurity day.



Top 5 canopy.zespri.com PAGES

1. OPC Key Dates

2. Quality Manual

3. Crop Protection

4. GAP Packhouse

5. Grower Manual

Celebrating a pest-free port

Port of Tauranga staff and contractors took part in activities organised for Biosecurity Week at the Port of Tauranga, getting up close and personal with bugs and hearing from local biosecurity experts about the work being done to ensure a pest-free environment.

A biosecurity excellence programme runs year-round at the port. To coincide with Biosecurity Week, there were scones and sausage rolls on offer as a team comprised of port, Ministry for Primary Industries and KVH staff visited smoko huts and staffrooms to shout morning tea. They also chatted to frontline staff about the work they do to look for and report potential biosecurity threats.

Over two days, there were nine visits to busy staffrooms full of passionate people who know biosecurity is a critical issue, affecting everyone in some way. With hundreds of people operating on the frontline daily, the port has lots of eyes constantly on the lookout for unwanted pests.



Port staff took the opportunity to look at real life samples of BMSB and Spotted Lanternfly over morning tea.

Grower Payments booklet review

Zespri publishes a Grower Payments booklet annually, usually around February, to help growers understand the different types (and timing) of payments that Zespri pays throughout the season.

A review of the 2018 booklet is underway in preparation for 2019.

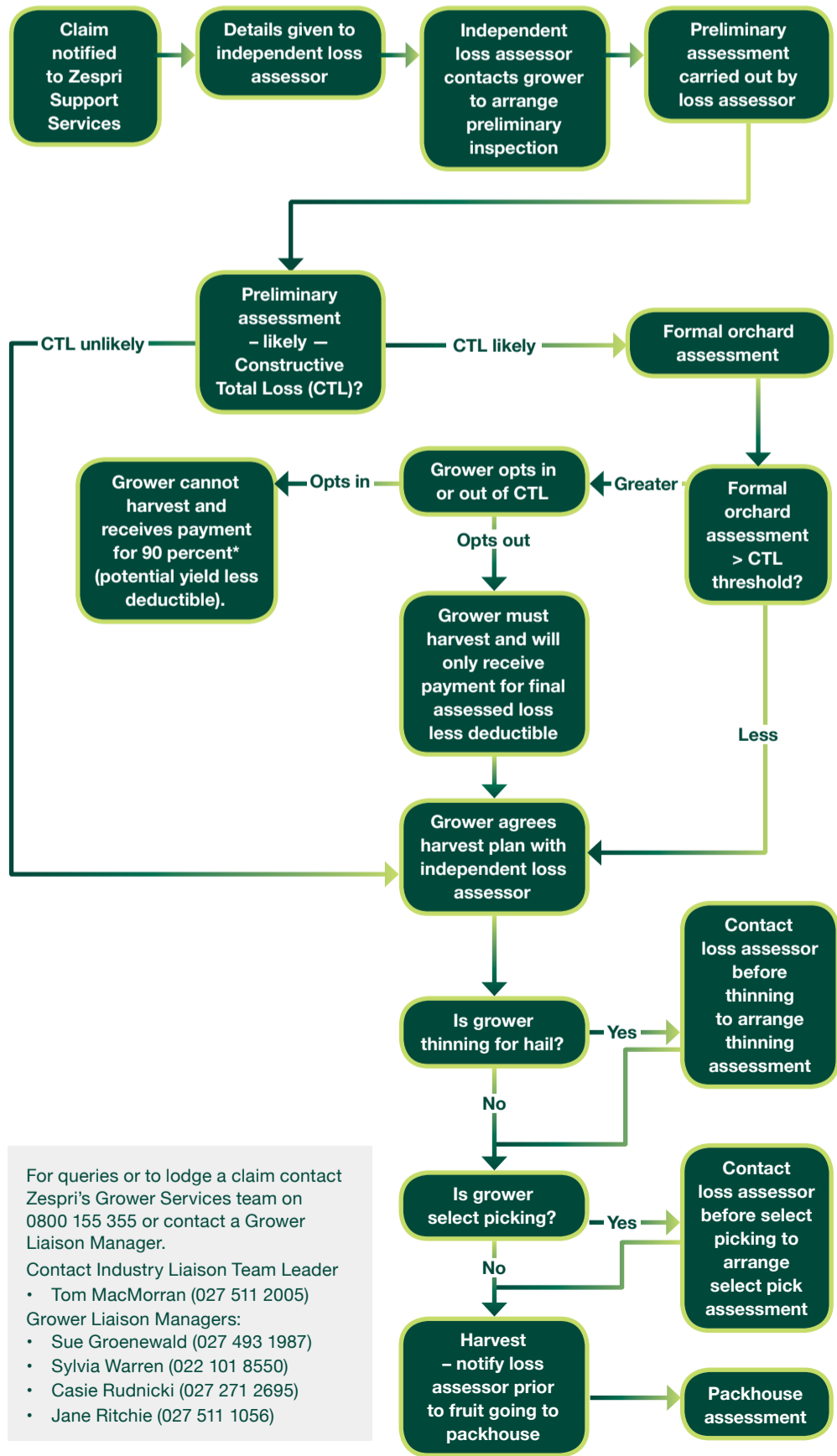
We'd like to hear feedback that you'd have, for example:

- Is the booklet easy to understand?
- Does it have too much or too little information?
- Is there any additional information that you'd like included?

Please email your comments to corporate.communications@zespri.com - thanks in advance.



What is the process for logging a hail claim?



For queries or to lodge a claim contact Zespri's Grower Services team on 0800 155 355 or contact a Grower Liaison Manager.
Contact Industry Liaison Team Leader
• Tom MacMorran (027 511 2005)
Grower Liaison Managers:
• Sue Groenewald (027 493 1987)
• Sylvia Warren (022 101 8550)
• Casie Rudnicki (027 271 2695)
• Jane Ritchie (027 511 1056)

Contact Industry Liaison Team Leader Tom MacMorran (027 511 2005) or Grower Liaison Managers: Sue Groenewald (027 493 1987), Sylvia Warren (022 101 8550), Casie Rudnicki (027 271 2695) or Jane Ritchie (027 511 1056).

Q.&A.

from the field

Q1: Can I get some regrafting wood this spring?

A1: Zespri's coolstore at Cessna Place will re-open for the spring regrafting period from 1 November. The opening hours will be, Tuesdays and Thursdays from 9.00 am to 10.00 am.

Where possible we are encouraging contractors or management companies to submit regraft requirements on behalf of their growers so we can supply a bulk lot of wood sourced from one KPIN.

If you have any budwood queries, please call Grower Liaison Manager Jane Ritchie on 027 511 1056.

Q2: I've had my new development block GPS mapped, confirming how much licence I need to buy. Will the area change once a canopy has grown?

A2: If your GPS map specifies a block as 'posts only' (PO) then GPSit have measured your block from post to post, only. Any ag-beams and wires past the post have not been accounted for in the measured area. Measure the distance to the last wire to get an estimate of the additional area to cover with licence.

Q3: What do the abbreviations on my GPSit audit map mean?

A3: Under the block name and size, each variety's information is displayed on a single line, colour coded to the variety.

The date refers to the graft date of that variety and the letter refers to the production status:

The block information is summarised on one line below this, using the following codes:

Block A
1.73 ha
HW:1997:P
GA:2013:N
PG:NTARG:HC
SURVEY:23 SEP 2011

Block G
0.67 ha
HE:2010:P
PG:ST:OF:--
SURVEY:23 SEP 2011

Production status	
P	Producing
N	Non-producing
I	Newly Grafted/Immature Vines
R	Rootstock only
L	Local Market Supply
X	Removed Vines

The block information is summarised on one line below this, using the following codes:

Structure	Graft Type	Block Layout	Covering
PG - Pergola	TP - Top	OF - Opposing Female	HC - Hailcloth
OH - Overhead Cable	NT - Notch	SM - Strip Male	PL - Plastic
PO - Posts Only	ST - Stump	ARG - Alternate Row Grafted	
TB - T-Bar			
PR - Proposed			
TR - Trees			

The Survey date is the date that the block was last measured.

For any further enquiries about your GPS audit map, contact the Zespri Licensing team on 0800 155 355 or by email New.Cultivars@zespri.com.

Q4: What is Non Standard Supply (NSS) fruit and what payments are made to growers?

A4: NSS is fruit outside the Zespri Class 1 specification because of size and/or taste (in exceptional circumstances). Zespri purchases NSS fruit through a service level agreement depending on market demand and the ability to provide commercially-viable returns to growers. An example this season is size 42 SunGold kiwifruit. This season this category of fruit is forecast to pay the following:

Fruit payments:

Fruit payment at FOBS: \$1.60 per TE (paid based on load-out).Progress: Progress payments are made in Sep, Nov, Feb and May (as per all Class 2 and NSS fruit).

Service payments:

Pack differential rates: NSS pools are subject to the same pack differential rates as Class 1 pools. Time rates: NSS pools are subject to their own individual time rates.

Incentive payments:

Taste: SunGold 42's have their own MTP "Maximum Taste Payment Rates" which are multiplied against a growers Taste Zespri Grade results to derive the "Taste Rates" payable – as per Class 1 fruit. Kivistart and supplier accountability: These incentive programs don't cover NSS fruit.

Note: For specifics regarding the recent SunGold size 39 decision, please see article on page 9.

2018 SunGold audit season underway

Growers who received SunGold licence in either 2017 or 2018 who indicated they were grafting their allocated area in the winter of 2018 are now scheduled for an audit.

Zespri undertakes a random audit programme every year, so please be aware that if your orchard has not recently been audited you may be contacted by a GPS mapping provider to arrange a visit.

- If your orchard is on the list to be audited for the 2018/2019 season, a mapping provider will be in contact to advise you of an estimated date of the audit.
- If you have not finished all grafting for your allocated area or have any other vital information about your orchard that the mapping provider needs to be aware of, please let them know as soon as possible so they can discuss and reschedule the visit.
- Growers are encouraged to be present or have a representative present at the audit to make sure the GPS auditor meets hygiene requirements and is inducted onto the orchard.
- It is beneficial for you to be present to answer any questions the GPS auditor may have and to clarify any canopy boundary questions.
- In some instances the preliminary audit imagery results can be available for you to see within 10-15 minutes of the audit being finished.
- Once the audit has been completed and the results are processed by Zespri, the grower will receive a copy of the map and the audit results by email. We encourage you to forward this to your post-harvest facility for their records.

What is GPS auditing for?

Zespri intends to protect its proprietary varieties and address any unauthorised planting or grafting to protect the interests of all growers, in particular, GPS auditing helps:

- Protect growers who have purchased licences for a Zespri proprietary kiwifruit variety.
- Protect those who have complied with the terms of their licences.
- Promote the control of volumes of kiwifruit supplied in order to protect grower returns.
- Preserve the value of Zespri's investment in new varieties.

Growers should note that Zespri practices a zero tolerance policy in relation to overplanting, however the extent of the overplanting and Zespri's assessment of whether or not the overplanting was unintentional will be factors in determining Zespri's response. For example, Zespri's response towards very small overplanted areas, that may be the result of miscalculating the licensed area, will differ significantly to instances of more extensive overplanting, and/or overplanting that Zespri assesses to be deliberate, wilfully neglectful or grossly negligent.

Please make sure Zespri's Grower Support Services has your most up-to-date email address. You can check all your details are accurate and current by accessing the Industry Portal or emailing contact.canopy@zespri.com.

Calling all cricket loving growers

As part of our First XI partnership with Bay Oval we are calling for expressions of interest from growers who would like to attend the New Zealand vs India one day international (ODI) cricket match on 28 January 2018, starting at 3pm. Growers will be able to enjoy the day in a Zespri-hosted tent on the embankment. Please register your interest at <https://www.zesprievents.co.nz/cricket>.

This is an R18 event, with a maximum of two complimentary tickets per registration. Please read the full terms and conditions on the event link and if you have any questions, contact Zespri on 0800 155 355 or send an email to GrowerLiaisonTeam@zespri.com.

Grower Liaison Team to host inaugural Grower Golf Day

Date: 22 February 2019
Venue: Fairview Golf Club – Katikati
Time: 1pm shotgun start

The tournament will be a stableford points tournament and all entrants will be mixed into foursomes. The event is open to current, previous and new golfers. There will be spot prizes and entertainment during the day.

Join this fun day of golf and mix and mingle with fellow growers, Zespri and post-harvest staff. If there is enough interest, we'll look into providing a bus from Te Puke through to Katikati.

To register your interest, go to <https://www.zesprievents.co.nz/golf> and include your handicap (if you have one).

Keep an eye out in the *Kiwiflier* for future grower events in your region.

For any queries regarding the Golf Day, please contact Zespri Grower Liaison Manager Sue Groenewald on 027 493 1987.

