



## PRODUCER VOTE RESOLUTIONS

Starting in February, growers are being asked, through a producer vote, to support Zespri continuing with the activities of 12-month supply and owning Plant Variety Rights (PVRs).

This vote arises from the 2017 amendments to the Kiwifruit Export Regulations and the definition of what Zespri's 'core business' entails. In our 2015 grower referendum, over 92 percent of producers who voted supported PVRs and 12-month supply being included in the definition of core business. However, these activities weren't added.

In February Zespri will send voting packs to producers for the producer vote under Regulation 11 of the Kiwifruit Export Regulations. These packs will include a voting form and an information guide on the producer vote.

You'll be able to vote online or by post, and voting is open from 22 February to 15 March.

The resolutions you'll be asked to vote on are substantially in the form set out below (subject to any final wording changes before the forms

Our ownership of PVRs and the 12-month supply are seen as critical to underlining Zespri's ability to generate long-term sustainable returns for New Zealand kiwifruit growers. Over the past two decades they've delivered exceptional growth and value to the industry, which is reflected in the increase in average returns, orchard values and Zespri's profitability over successive seasons. The producer vote, permitted under the regulations, will enable us to continue to invest with confidence in these activities.

are issued). The voting form will include the resolutions (and explanatory information on each one) as well as instructions on how to vote. The information guide includes more detail, which we hope is less technical.

We'll be discussing these resolutions during the upcoming February roadshows (see page two for details). These business activities are vital to Zespri's ongoing success and growth plans, so we encourage you to come along and have your say by voting.

## COMMON QUESTIONS: PRODUCER VOTE

### Q What's a producer?

A 'Producer' is defined in the Kiwifruit Export Regulations and includes a landowner or a lessee (with a current lease of at least one year's duration) of a KPIN from which kiwifruit is supplied to Zespri.

### Q Why do we need to have a vote?

A When the regulations changed, not all parts of the business were included as 'core business'. Those that weren't have to meet the 'support core business' test criteria or be approved by way of a producer vote. The producer vote, if passed, ensures the long-term future security of investment for the activities affected.

### Q What activities are producers voting on?

A There are two — Zespri's 12-month supply business (known as Zespri Global Supply or ZGS), and Zespri's ownership of plant variety rights (PVRs), which we develop through our research and development programme.

### Q What's involved in the 12-month supply business?

A This business involves procuring and growing kiwifruit offshore for supply to our markets during the four months of the year New Zealand-grown fruit isn't available. Zespri works with nurseries to produce plants, with orchards to ensure they grow to standards expected by Zespri, and with the supply chain (like post-harvest operators) to ensure fruit is packed and stored properly. This business enables the Zespri brand to remain in the market representing quality fruit year-round.

### Q What does ownership of proprietary varieties mean?

A Ownership of proprietary varieties is about owning plant variety rights (PVRs) on kiwifruit varieties (like SunGold, for example). The Regulations permit Zespri to carry out research and development which includes developing new varieties of kiwifruit as part of core business. While there's a transitional provision that provides extra protection, and means Zespri's SunGold variety and others already owned are protected, there's a potential question about the extent to which this includes the right to retain ownership of future varieties.

### Q How does the producer vote work?

A All producers have a vote, including both landowners and lessees. Each producer votes once, on each resolution, and the vote is counted in two ways:

1. **Producer count:** the total number of votes from landowners and lessees are counted, and 75 percent of that number need to approve the resolution, and

2. **Fruit weight count:** the weight of production from each orchard is counted (in kilograms) and the landowner gets to vote that weight by default, unless the landowner let Zespri know by 18 January that a lessee on a KPIN can vote the production from the orchard. The total weight voted in favour must be 75 percent of all weight voted in the producer count. The weight is the average of the last two completed season's weight (so as at end of March 2017 and March 2018).

### Q When and how do producers vote?

A Producers can vote online or by postal vote. The voting period will run from 22 February to 15 March. Zespri will send out a guide with more detail on the producer vote and how to vote.

### Q If the resolutions pass successfully, what obligations does Zespri have in future?

A In addition to Zespri and its directors' obligations at law, under the Regulations, Zespri is required to minimise the risk to producers who didn't vote in favour of the resolution (whether they voted or not). Industry regulator KNZ will play a key role in providing oversight of Zespri to ensure this happens.

### Q If one or both of the resolutions don't pass, what happens?

A If KNZ (the regulator) were to determine at any time that either or both, or part of the activities, didn't support core business, Zespri would have to cease or limit the activities. Any ceased activities would most likely have to be sold to recoup Zespri's investment. As noted above, plant variety rights (PVRs) that Zespri already owns wouldn't have to be sold as they're already protected under the Regulations.

### Q If the 12-month supply vote doesn't pass, along with KNZ not agreeing it supports core business, what happens to SunGold orchards that are already developed in countries other than New Zealand, for example Italy?

A Since SunGold is already protected under the transitional provisions, Zespri can continue to own and licence this variety, but would have to make different arrangements for supply. If Zespri had to cease its own 12-month supply programme, Zespri would need to permit the Italian licensees to sell the resulting SunGold fruit produced in these offshore regions to anyone they want to.

### Q Is the approval for 12-month supply ongoing, or is there a time or volume limit?

A The board intends to come back to producers to seek further approval if Zespri achieves the current 10 year planned supply volumes for ZGS and wishes to expand beyond this point.



## RESOLUTION 1

Vote of producers to agree to Zespri carrying out the 12-month supply business.

That the producers agree to Zespri carrying out the following activity:

- (a) **12-month supply business:** growing, procuring and selling kiwifruit grown in overseas countries, including, without limitation, the following —
  - (i) use in overseas countries of plant varieties of kiwifruit owned by Zespri;
  - (ii) managing growing practices by overseas growers;
  - (iii) managing the supply chain from overseas grower to market;

- (iv) marketing and market development for fruit grown overseas;

On the basis that:

- (b) the agreement to carrying out the 12-month supply business doesn't include commercially growing and procuring kiwifruit in China or Chile;
- (c) the agreement will apply to the 12-month supply business, or to any component of that activity, if Zespri, KNZ or any other relevant authority decides that the activity, or any component of the activity, doesn't support the core business, as defined in regulation 10A of the Kiwifruit Export Regulations.



## RESOLUTION 2

Vote of producers to agree to Zespri owning plant varieties.

That the producers agree to Zespri carrying out the following activity:

- (a) **ownership of plant varieties:** plant variety ownership including operating and owning (or otherwise having interests in) plant varieties:

On the basis that:

- (b) the agreement will apply to ownership of plant varieties, or to any component of that activity, if Zespri, KNZ or any other relevant authority decides that the activity, or any component of the activity, does not support the core business, as defined in regulation 10A of the Kiwifruit Export Regulations.



# PRODUCER VOTE – VOTING SCENARIOS

Here are a few examples of voting scenarios to demonstrate how the producer vote will work:

## SCENARIO ONE

On KPIN 123 there's a landowner whose production over the last two years has been 30,000 kilograms in 2016/17 and 35,000 kilograms in 2017/18. The average production for the producer vote is then 32,500 kilograms.

If the landowner votes in favour of the producer vote resolutions (so he/she agrees that Zespri can carry on with its 12-month supply business and ownership of PVRs), then the landowner's vote is counted:

- 1 as one vote for the count by producer number (producer count); and

- 2 as 32,500 kilograms for the count by production weight (fruit weight count).

If there's a lessee on KPIN 123, and they also vote in favour of the producer vote resolutions, then:

- (a) their vote is counted as one vote for the count by producer number; and
- (b) their vote is not counted for the count by production weight. This is because the landowner has the right to vote the production weight, unless the landowner had told Zespri by 18 January (the deadline that was previously communicated) to count the lessee's vote for the fruit weight count instead of their own.

## SCENARIO TWO

If the same landowner in scenario one also owned a second KPIN that was leased, with an average production of 35,000 kilograms, and they informed Zespri by 18 January that they wished to assign the fruit weight count to the lessee, then that means:

- 1 the landowner's vote by producer number has already been counted above (a producer's vote is not counted again for

every KPIN owned or leased, just once across all KPINs);

- 2 the lessee on this second KPIN has a vote counted for the producer number count; and
- 3 the lessee on this second KPIN's vote counts for the fruit weight count as to 35,000 kilograms.

## SCENARIO THREE

If in total 2,000 producers vote, representing 260 million kilograms of fruit, and the results of the votes across both resolutions (for simplicity) are:

1,750 producers voted in favour (representing 220 million kilograms of fruit) and 250 producers voted against (representing the remaining 40 million kilograms of fruit), then the results would be:

- 1,750 divided by 2,000 = 87.5 percent voting in favour by producer number count
- 220 million kilograms divided by 260 million kilograms = 84.6 percent voting in favour by fruit weight count.

Therefore, the producer vote resolutions would pass, since both results are greater than 75 percent.

# ZESPRI GROWER ROADSHOW FEBRUARY 2019

Grower roadshows are a great opportunity for growers to hear from Zespri senior management. Our February roadshows will focus on the producer vote (and what this means for producers), licence release, share split, February forecast and a pre-season update. Electionz will be attending the grower roadshows from Monday 25 February, giving producers an opportunity to vote at the roadshows. Mark the dates in your diary—we'll see you there!

DATE	TIME	LOCATION
Thursday 21 February	11am - 1pm	<b>Nelson</b> Top 10 Holiday Park, 10 Fearon Street, Motueka
Monday 25 February	12pm - 2pm	<b>Kerikeri</b> The Centre, 43 Cobham Road
	5pm - 7pm	<b>Whangarei</b> Northland Hockey Association, 45 Park Avenue, Kensington
Tuesday 26 February	10am - 12pm	<b>Auckland</b> Pukekohe Park Raceway, 222-250 Manukau Road, Pukekohe
	3pm - 5pm	<b>Waikato</b> Mighty River Domain, Lake Karapiro, 601 Maungatautari Road, Cambridge
Wednesday 27 February	10am - 12pm	<b>Hawke's Bay</b> The Crown Hotel, Corner Bridge Street and Hardinge Road, Ahuriri
	5pm - 7pm	<b>Gisborne</b> Bushmere Arms Hotel, Main Road, Waerengahika
Thursday 28 February	10am - 12pm	<b>Opotiki</b> Opotiki Golf Club, Fromow Road
	2pm - 4pm	<b>Edgecumbe</b> Awakeri Events Centre
	6pm - 8pm	<b>Tauranga</b> Historic Village, 17th Ave West
Friday 1 March	10am - 12pm	<b>Te Puke</b> The Orchard, 20 MacLoughlin Drive
	2pm - 4pm	<b>Katikati</b> Katikati Rugby Club, Moore Park, Fairview Road

# SunGold licence release: 2019 summary of mechanism and process

On 6 March, the Licence Application Overview and Rules (LAOR) will be published and available to view on the Canopy website (canopy.zespri.com). Please note the application window won't open until 27 March.

The Zespri Board has confirmed its decision to continue with the SunGold licence release programme in 2019. Zespri will allocate a further 700 hectares of conventional SunGold and 50 hectares of Organic SunGold. The licence rules are largely the same as they were in 2018, with only a change to the bid area for each of the pools.

### Changes to 2019 SunGold (conventional unrestricted)

- A maximum bid area of 30 hectares may be successfully bid by any legal entity.

### Changes to 2019 SunGold (Organic)

- Bids of less than one hectare will also be accepted for additions to existing organic developments on the same property.

### 2019 online licence application

There are two ways you can apply for a SunGold licence this year — you can either complete an application form (downloaded from Canopy) manually, or complete an online application form via the industry portal. If you choose to complete the application form via the portal (available from 27 March until 10 April), your KPIN and legal entity details will pre-populate on your application form. A copy of your application will then be emailed to you to review before finalising your bidding details.

Whether you complete the form manually or via the portal, you must print and **post** a copy of your application form (along with your deposit payment) to Cooney Lees Morgan before 5pm on 10 April (when applications close).

To complete an online application via the portal, log on to the Canopy website and click the 'online licence' tab as shown below.

For assistance with the online licence application or LAOR download, please call Zespri Grower Support Services on 0800 155 355 or email newcultivars@zespri.com.

LAOR documents contain rules and application forms for each of the allocations (there will be a separate LAOR for SunGold Organic). Thinking about making an application? We encourage you to inform yourself, seek appropriate advice and read the LAOR documents before applying.

For a detailed list of the main features for each of the licence bidding pools, please refer to the Canopy website (Canopy > Growing Kiwifruit > Zespri® Variety Licences > Licence Release).

Please note: this publication is a high level summary of changes to the process for 2019 and is for general information only. Growers must read the full LAOR document once it's published to fully inform themselves about the process and the rules before submitting a bid.

### Licence allocation timeline:

Date	Action
6 March	Licence Application Overview and Rules published
27 March	Application process opens
10 April	Closing date for bids – applications must be received by Cooney Lees Morgan prior to 5pm
17 April	Preliminary revenue range announced
26 April	Pre-validation and collation of all bids completed by Cooney Lees Morgan
Week of 29 April	Evaluation panel makes decisions regarding allocation of licences before notifying successful bidders
Week of 29 April	Deposit cheques presented three working days after successful bidders are notified
27 May onwards	Licence packs distributed
19 July	Balance of settlement monies due





# From the markets

## Cream of the crop: 2018 sales and marketing award winners

At Zespri’s annual conference in November, our sales and marketing teams took a moment to celebrate success though the 2018 Sales and Marketing Awards. There were 41 entries from 16 countries in six award categories – here we shine a spotlight on two of our winners:

**Best key account management approach for growth: Netherlands**

Congratulations to the Netherlands team (in partnership with Jumbo) who were recognised as having the best key account management approach for growth. Jumbo is the second largest supermarket chain in the Netherlands, and Zespri’s biggest 12-month supply local customer.

This category involves the client (Jumbo) and supplier (Zespri) working together to achieve greater consumer awareness and a larger market share. Together, Zespri and Jumbo aimed to increase promotional sales, create a healthy product mix between green and gold fruit and close the gap with other competitors. Their must-wins were promoting Zespri Kiwifruit to young families and increasing loyalty of Jumbo shoppers.

The results? Higher visibility of Zespri Kiwifruit in store, online and in national media resulted in volume growth — SunGold sales increased by 121 percent and green sales increased by seven percent. These astounding results were a huge win for the Zespri/Jumbo partnership.



The Netherlands team focused on higher visibility of Zespri Kiwifruit.

**Best demand creation plan: Japan**

The Japan team discovered many Japanese people have a long-held perception that kiwifruit has an unpleasant, sour taste. After interviewing consumers, the team discovered taste was the biggest driver in choosing fruit, so they set off on a mission to shift this perception and convince consumers to try our delicious kiwifruit.

They came up with a two-stage plan centred on promoting ripe kiwifruit as a ‘sweet surprise’ — fruit that was sweet, enjoyable and consistent in quality. The marketing campaign comprised of TV commercials, digital advertising on YouTube and in-store events.

The ‘Kiwi Brothers’ played a lead role in these advertisements. The marketing team also engaged younger consumers by partnering the Kiwi Brothers with popular Japanese comedy duo ‘Bananaman’, creating a storyline called ‘KiwiHero’. The Kiwi Brothers were splashed across TV commercials and train advertising in a comic-book style superhero story. An online quiz about the KiwiHero story also engaged more than 60,000 participants.

Because of the focus on fully ripe kiwifruit, an education programme was rolled out to address delivery, staff training, consumer education and the crucial role of quality control (in both on-vessel and on-port storage). Seminars and workshops were held to encourage more than 3,000 staff members to provide outstanding customer service and promote ripe kiwifruit. Throughout the campaign, 10,000 tasting events were held in-store in 4,000 locations throughout Japan.

The campaign reached 82 percent of Japan’s population (or 100 million people) and generated 28 million trays in sales — an

outstanding record for the Japan market. Feedback from consumers confirmed what we already knew — Zespri Kiwifruit is sweet and delicious. Congratulations to the Japan team!



The ‘Kiwi Brothers’ played a lead role in Japan’s campaign success.

## Jeju kiwifruit: striving for growth to meet demand

Meeting the South Korean market’s need for 12-month supply through local production is more than a matter of increasing hectares on the ground – the technical support being shared with growers in Jeju is having an incredible impact on growth.

It’s an important moment when the first Jeju Gold arrives on the Korean market. With New Zealand supply largely finished in December, Zespri’s sales and marketing team based in Seoul is able to source high quality kiwifruit locally to retain shelf space with retail partners and continue to serve their customers. With total sales of around six million trays in 2017/18 and significant growth during the current season, the value of 12-month supply is enormous.

It’s also a special moment for our grower partners on Jeju, the lush sub-tropical island 130km from the mainland famous for its fruit production. The sense of pride among those we spoke with as the 2018/19 crop was picked, packed and supplied to Korean consumers around the country was abundant.

Zespri is working with 177 growers in South Korea. The average orchard size is just 0.6 hectares, and production is either Hort16a or SunGold. One of our priorities is to help growers with conversion to SunGold. Over 200 hectares are now licensed, and total sales volume this season is expected to be around 500,000 trays. The

level of demand, however, could support production of up to three million trays in 2028.

Sustaining this prosperity relies on strong technical support, and help is coming from many quarters. On the orchard side, Zespri provides support through channels similar to those in New Zealand. The Jeju team run grower field days through the year, from planting and grafting in January to winter pruning in December. They produce their own version of *Kiwiflier* and technical bulletins, and organise periodic grower tours to New Zealand to learn from expert growers.

The value of this collective effort is massive – it helps the industry fulfil demand while maintaining quality. According to one of Zespri’s largest customers in South Korea, consumers want to eat the best kiwifruit for more than just eight months of the year. Joon Hong Choi, Managing Director of Soo il Commerce, says “Buyers often prefer to source produce through a single channel and families in Korea certainly like to enjoy the fruit all year round. Having the ability to offer 12-month supply is a strength.”



Technical knowledge transfer helping Jeju growers expand supply.

## Contractor updates

Contractors on kiwifruit orchards are now required to register or renew their information annually through an online process (rather than the previous paper-based process). If any contractors come to you with questions, the new online process (with step-by-step instructions) can be found online at <https://industry.zespri.com/> contractors. The new site offers FAQs, information relating to GLOBALG.A.P. and GRASP, and also allows growers to view an up-to-date list of registered contractors.

We’ve sent an email with this information to our known kiwifruit contractors, with a unique link for them to login. Please don’t forward this link, but direct them to the email they received from [industry@zespri.com](mailto:industry@zespri.com). If you have any questions about contractor registration, please contact the Pre-harvest Assurance Team at [compliance@zespri.com](mailto:compliance@zespri.com) or on 07 572 6464.

## 2019 grower registrations

2019 KPIN and grower registrations are now due. After an increasing amount of industry feedback calling for a reduction in paperwork, we’re doing things a bit differently this year. Growers are now encouraged to log on to the industry portal, which can be found through a link on the Canopy website home page. The portal contains your details and information on the orchards you own or lease. If anything has changed for the 2019 season, please update your information on the 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. Alternatively, feel free to email us at [contact.canopy@zespri.com](mailto:contact.canopy@zespri.com) or give our friendly Grower Support Services team a call on 0800 155 355 to update your details over the phone. If all your information remains unchanged from your last registration, please let us know via the above phone number or email address. If your details haven’t been updated recently, you may receive a call from the team who will request a few minutes of your time to ensure all your information is current.

## Food Act registration: have you got your form?

Zespri is facilitating a Food Act registration and verification process for growers who are part of the Zespri option two group. Your pre-populated registration forms should have been received around 15 January via email (these forms were sent to the GAP legal entity as registered with Zespri). It’s a legal requirement for horticultural food businesses (like yours!) to be registered for the Food Act by 28 February. You can either register through Zespri or register yourself through your local council or MPI and arrange your own verification (at your own cost). If you choose to register through Zespri, please complete the registration form and return it as soon as possible to ensure we’ve got enough time to register you with MPI before 28 February. We’ll arrange verification for you through your next GAP inspection. If you should have a registration form but haven’t received it yet, please contact the Food Act coordinator by email at [preharvest@zespri.com](mailto:preharvest@zespri.com) or by phone on 07 572 7621.



# ZESPRI SHARE SPLIT

Following the recent targeted share offer and buy-back, the number of shares Zespri has on issue has increased to 122,168,058. As part of the Kiwifruit Industry Strategy Project (KISP), the industry expressed a desire for growers to be able to achieve optimum alignment of one share per tray of kiwifruit supplied over time, so Zespri needs to have sufficient shares on issue.

Current volumes of New Zealand supply are in the region of 153 million trays, and with Zespri's growth plans over the next few years, we need to future-proof the amount of shares available. Therefore, Zespri has decided to conduct a share split to ensure there are sufficient shares on issue. The share split will provide one additional share for every two shares on issue (3-for-2).



## WHAT'S A SHARE SPLIT?

A share split involves subdividing the existing shares held by shareholders. A 3-for-2 share split means if a shareholder has 20 shares, these will be split so that the shareholder has 30 shares instead. It's like multiplying an existing holding by 1.5. This will be carried out automatically by the share registry office (Computershare), and shareholders aren't required to do anything.

A 3-for-2 split means Zespri theoretically increases its shares on issue to 183 million. As a result of the share split, if any shareholder ends up with 0.5 of a share, then the constitution requires Zespri to round the holding up to one whole share. This will add approximately 500 more shares on issue (approximately 1,000 people getting an added 0.5 of a share).



## HOW DOES THIS AFFECT THE VALUE OF MY SHARES?

The total value of shares held by a shareholder doesn't change, but each individual share has a lower value. For example, if shares were trading at \$8 per share at the time of the split (we note this isn't the current share price), and you held 20 shares, your total shareholding value would be \$160. After the split you would have 30 shares still with a total value of \$160, but individually the shares are now worth approximately \$5.33 per share.



## HOW DOES THIS AFFECT THE SHARE CAP?

Zespri has had a share cap in place since the March 2018 constitutional amendments. The amendments provided if Zespri ever carried out a share split, the cap would also change in the same proportion. This way no one is being pushed over the ownership cap if they aren't already overshared.

The change to the share cap is therefore increased from 4:1 to 6:1 (six shares to one tray). The alignment ratio of all shareholders will be adjusted automatically. An example is shown below:

Example: Producer Shareholder A	Shares	Production	Ratio	
Pre share split	35,000	10,000	3.5:1	OK: Still under the 4:1 share cap
Post share split	52,500	10,000	5.25:1	OK: Still under the 6:1 share cap

If someone is over the cap prior to the share split, they will remain over the cap after the share split (as shown in the next column). The producer remains overshared on the same value of shares that were over the cap (the 3,000 shares are worth the same as the previous 2,000 shares that were over).

Example: Producer Shareholder B	Shares	Production	Ratio	
Pre share split	42,000	10,000	4.2:1	Overshared: 2,000 shares over the 4:1 share cap
Post share split	63,000	10,000	6.3:1	Overshared: 3,000 shares over the 6:1 share cap



## HOW DOES THIS AFFECT VOTING ENTITLEMENTS?

The voting cap will remain the same, at one vote per tray of historical production, or one vote per share, whichever is the lesser. There's no automatic adjustment mechanism in the constitution in the event of a share split.

The overall effect on numbers of voting shares means shareholders that are, prior to the split, less than 1:1 (one share per tray) aligned, will have a greater number of voting shares after the split. For shareholders that are already at 1:1 or are above 1:1, they will have the same number of votes after the split.

Example: Producer Shareholder C	Shares	Production	Votes
Pre share split	10,000	10,000	10,000
Post share split	15,000	10,000	10,000*

\*No change in votes, despite an increase in shares following the split, because it's not possible to vote more than your historical production.

Example: Producer Shareholder D	Shares	Production	Votes
Pre share split	5,000	10,000	5,000
Post share split	7,500	10,000	7,500*

\*Increase in votes, because after the split, the shareholder is still below the 1:1 voting cap.

In terms of the proportional share of votes (on a percentage basis), the share split means shareholders holding less than 1:1 beforehand gain a greater proportion of the overall votes. This then results in those over 1:1 already losing a proportionate share of the overall votes. However, given the spread of shareholding interests across all shareholders' historical production, these percentage changes are likely to be less than a one percent change in proportional voting interests per shareholder either up or down from the overall total (and most changes will be much lower than that proportionally).

By way of example, let's assume that total historical production of shareholder producers is 50 million trays, so total votes available at 1:1 will be up to 50 million. While prior to the share split you may have 1,000 shareholders with eligible voting shares, those at less than 1:1 are pushed up in number of voting shares by the split. Those at 1:1 or above have no change in the number of voting shares, so remain the same. This means that overall there are more voting shares than before, so the voting entitlements are spread more widely amongst shareholders. There are therefore more shares between which the pie of 50 million votes has to be carved up.



## GREENFIELDS ENTITLEMENTS

There's an automatic change in Greenfields entitlements. Those Greenfields with no historical production yet can obtain 1.5:1 deemed production entitlement (previously 1:1), and once their historical production takes over, they will have the same 6:1 share cap as other producers.



## WHEN WILL THIS HAPPEN?

The share split will take place on the night of Friday 15 March, based on shares held as at 5pm that day, so when the market reopens for trading in Zespri shares on Monday 18 March, the shares will have been split. Soon after that date, all shareholders will be sent new share statements from both Zespri and Computershare.



## WHAT HAPPENS IF I STILL HAVE SHARE CERTIFICATES?

Shareholders who bought shares prior to 1 February 2016 may still have valid share certificates, issued between September 2010 and January 2016. New share certificates were issued to all shareholders following the 30 September 2010 share split and for any share purchase up until Zespri share trading moved to the USX platform on 1 February 2016. These certificates will be cancelled by Computershare at the time of the March 2019 share split, and shareholder trading will be managed exclusively electronically going forward via Computershare's Investor Vote. For more information on Investor Vote please contact Computershare directly on 09 488 8777.

As such, all old Zespri share certificates will be invalid after the share split. The benefits of managing your shareholding electronically going forward is that you no longer have to provide an original share certificate or an indemnity form if you wish to sell shares. No action is required from shareholders that currently hold a valid share certificate.

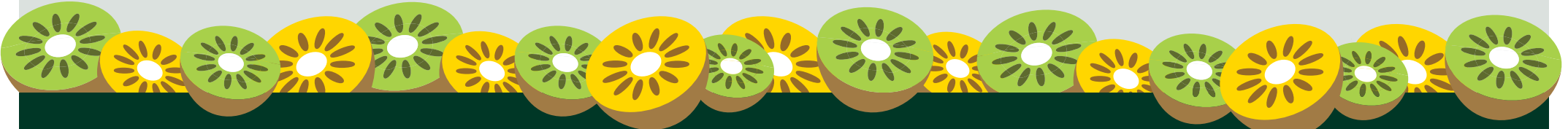


## TRADING HALT

Ahead of the share split occurring on the night of 15 March, a trading halt on USX will commence from close of trading at 5pm on Wednesday 13 March. This will enable Computershare to process any trades made prior to then and before the share split. Trading on the USX share platform will re-commence from 9am Monday 18 March.

If you'd like to check the status of your shares before or after the share split, you can log in to the share register on [www.investorvote.com/nz](http://www.investorvote.com/nz) using your FIN and Holder Number. If you don't have a FIN please contact Computershare directly on 09 488 8777.

For any further questions, please contact [shares@zespri.com](mailto:shares@zespri.com) or call 0800 155 355.



# 2018/19 Season Return Analysis

Class 1 — Approved Progress Payment 15 February 2019	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	No payment
Zespri Organic Green	\$0.20	\$0.10	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Zespri Gold3 and Organic Gold3	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	No supply
Zespri Green14	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10

Class 1 — Indicative Progress Payment 15 March 2019	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 Gold3 and Organic Gold3	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	No supply
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.

Class 2 — Approved Progress Payment 15 February 2019	Average on Net Submit	16/18/22	27	30	33	36	39	42
Class 2 Green	\$0.08	No payment	No payment	No payment	\$0.10	\$0.60	No payment	No payment
Class 2 Organic Green	\$0.92	\$0.85	\$0.95	\$0.95	\$0.95	\$0.95	\$0.70	\$0.70
Class 2 Gold3	\$0.40	\$0.20	\$0.40	\$0.55	\$0.60	\$0.60	\$1.05*	No supply
Class 2 Organic Gold3	\$0.66	No payment	\$0.95	\$0.85	\$1.40	\$1.65	No supply	No supply

\*Volumes for this size are less than 2,000 trays (representing 0.3 percent of the total pool), and as such, returns (and therefore progress payments) for this size can be disproportionately impacted by market mix when compared to the overall pool. For the current season, this has been a favourable mix which has resulted in a higher progress payment for size 39 Class 2 SunGold when compared to the remainder of the pool.

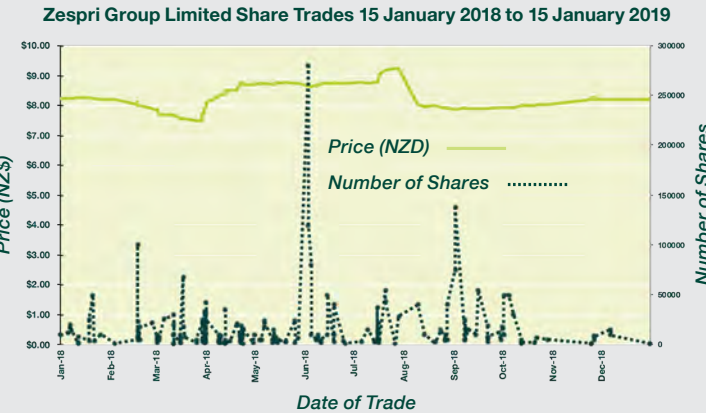
## SHARE BRIEFS

As at **15 January 2019** the last Zespri share price trade was **\$8.25** traded on **10 January 2019**. There were five buyers at **\$8.21, \$8.20, \$8.05, \$8.00,** and **\$7.95**. There were two sellers at **\$8.20** and **\$9.20**.

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’s 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 **15 January 2019**.

Quote Line at Friday 15 January as at 11.30am						
Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	8.050	8.200	8.200	8.300	8.200	22,000

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	10,000	8.210	8.200	1,000	1
1	2,000	8.200	9.200	10,000	1
1	8,000	8.050			
1	2,000	8.000			
1	27,082	7.950			

Last 10 Trades			
Date/Time	Quantity	Price (\$)	Value (\$)
10/01/19	1,000	\$8.25	8,250.000
10/01/19	1,000	\$8.22	8,220.000
17/12/18	9,490	\$8.20	77,818.000
17/12/18	15,000	\$8.20	123,000.000
7/12/18	8,000	\$8.20	65,600.000
7/12/18	9,000	\$8.20	73,800.000
7/12/18	5,000	\$8.30	41,500.000
5/12/18	1,000	\$8.27	8,270.000
5/12/18	1,000	\$8.22	8,220.000
8/11/18	4,980	\$8.05	40,089.000

**Director share trading**  
For the month of January (as at **15 January**), there were no shares traded by entities associated with Zespri Directors. See the Canopy website for details: Canopy > Growing Zespri Kiwifruit > Working with Zespri > Shares. Alternatively search for 'director shares' using the search function.

Please note — any time content for *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 Canopy website will always provide the most up-to-date information.

Non-Standard Supply — Approved Progress Payment 15 February 2019	42	46
Zespri Green		\$0.00
Zespri Organic Green		\$0.75
Zespri Gold3	\$0.00	
Zespri Organic Gold3	\$0.15	

## 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.

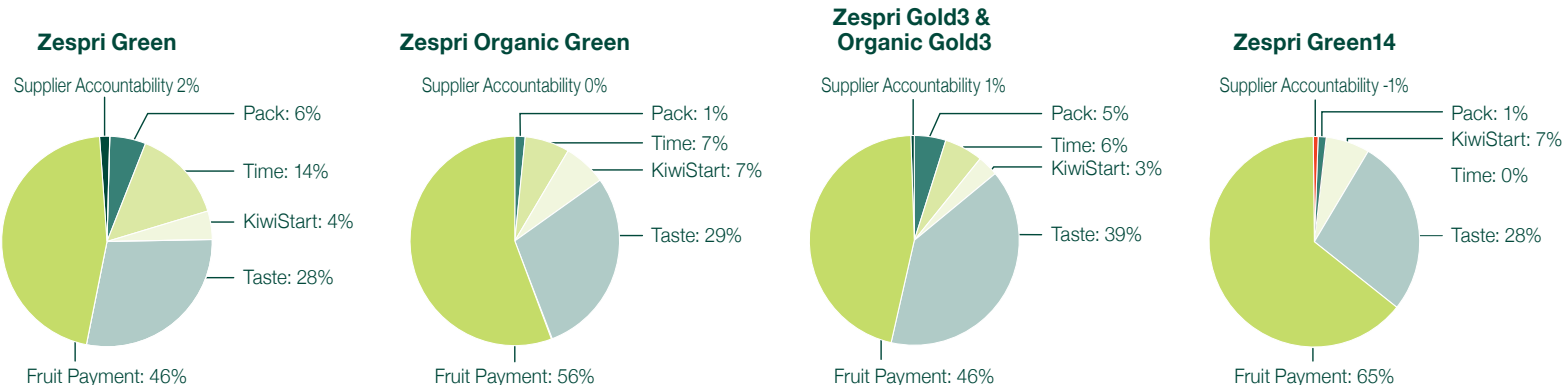
Class 1	
Zespri Green	\$0.10
Zespri Organic Green	\$0.20
Zespri Gold3 and Organic Gold3	\$0.20
Zespri Green14	\$0.10

Class 1	
Zespri Green	\$0.10
Zespri Organic Green	\$0.10
Zespri Gold3 and 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 2018, the December 2018 forecast fruit loss percentages and current productive hectare information.

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

2018/19 - December 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.


- 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 December 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 JANUARY								
 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%
Sep-18		\$0.13		\$0.35	\$0.10		\$0.59	55%
Oct-18		\$0.48	\$0.18	\$0.47	\$0.05		\$1.18	68%
Nov-18		\$0.40	\$0.00	\$0.69	\$0.08		\$1.17	81%
Dec-18		\$0.38	\$0.06	\$0.13	\$0.29		\$0.86	90%
Jan-19						\$0.10	.	.
Feb-19					\$0.10		.	.
Mar-19					\$0.10		.	95%
Apr-19					.		.	.
May-19					.		.	.
Jun-19						\$0.15	.	100%
Paid YTD	\$2.25	\$1.68	\$0.45	\$2.52	\$1.34	\$0.00	\$8.23	
Balance to pay	\$0.00	\$0.08	\$0.08	\$0.00	\$0.46	\$0.25	\$0.88	
Total fruit and service payments - 2018/19 forecast							\$9.11	

Zespri Gold3 and Organic Gold3 JANUARY										
 ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD	
Apr-18	\$2.80	\$0.12						\$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	\$0.22	\$1.50	\$0.49	\$0.02			\$2.46	51%
Sep-18		\$0.26			\$1.47	\$0.52			\$2.25	67%
Oct-18		\$0.45	\$0.26	\$0.54	\$0.33				\$1.58	77%
Nov-18		\$0.14	\$0.00	\$1.25	\$0.21	\$0.00			\$1.62	88%
Dec-18		\$0.01	\$0.03	\$0.00	\$0.82				\$0.86	94%
Jan-19							\$0.10	.	.	
Feb-19					\$0.20			.	.	
Mar-19					\$0.10	.		.	97%	
Apr-19					.			.	.	
May-19					.			.	.	
Jun-19							\$0.15	.	100%	
Paid YTD	\$2.80	\$1.56	\$0.52	\$5.76	\$3.28	\$0.02	\$0.00	\$13.94		
Balance to pay	\$0.00	\$0.01	\$0.03	\$0.00	\$0.59	\$0.00	\$0.25	\$0.88		
Total fruit and service payments - 2018/19 forecast								\$14.82		

Zespri Organic Green JANUARY								
 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		\$1.79	45%
Sep-18		\$0.23		\$0.90	\$0.34		\$1.48	58%
Oct-18		\$0.35	\$0.41	\$0.54	\$0.54		\$1.83	73%
Nov-18		\$0.15	\$0.00	\$0.78	\$0.56		\$1.49	86%
Dec-18		\$0.09	\$0.00	\$0.05	\$0.74		\$0.88	93%
Jan-19						\$0.10	.	.
Feb-19					\$0.20		.	.
Mar-19					\$0.10		.	97%
Apr-19					.		.	.
May-19					.		.	.
Jun-19						\$0.15	.	100%
Paid YTD	\$2.25	\$0.97	\$0.76	\$3.34	\$3.64	\$0.00	\$10.97	
Balance to pay	\$0.00	\$0.01	\$0.01	\$0.00	\$0.52	\$0.25	\$0.78	
Total fruit and service payments - 2018/19 forecast							\$11.75	

Zespri Green14 JANUARY								
 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	28%
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%
Sep-18				\$0.81	\$1.05		\$1.86	72%
Oct-18			\$0.34		\$0.42		\$0.76	79%
Nov-18			\$0.00	\$0.55	\$0.32		\$0.87	88%
Dec-18		\$0.00	\$0.00	\$0.00	\$0.60		\$0.60	94%
Jan-19						\$0.10	.	.
Feb-19					\$0.10		.	.
Mar-19					\$0.10		.	97%
Apr-19					.		.	.
May-19					.		.	.
Jun-19						\$0.15	.	100%
Paid YTD	\$2.80	\$0.13	\$0.61	\$2.76	\$3.32	\$0.00	\$9.61	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.40	\$0.25	\$0.65	
Total fruit and service payments - 2018/19 forecast							\$10.27	

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.

## Pack differential payments and base packing charges

### What's the intention of a pack differential payment?

There are two major intentions:

- To fairly compensate packing a variety into a pack type other than a base pack, for example for Hayward, a pack differential is paid on all pack types other than the ENMB (the base pack for Hayward)
- To accurately reflect the differential costs between each pack type so the markets are fully aware of the cost implications and can drive optimal allocation decisions to promote Grower Orchard Gate Returns (OGRs).

### What's happening?

A key input to the pack differential rates is the packing speed/cost difference of layered packing (IT) versus bulk packing (ML/MB). Previously this speed/cost difference has been gathered through a packing survey based on industry-wide packing shifts. There are several difficulties with obtaining the data in this manner, such as:

1. Varying packing mixes within each shift — none at the 100 percent layered or bulk level;
2. Staffing levels create noise in the data, especially when there's not the right staff numbers to suit a certain day's packing;

3. Grader machine downtime can artificially elevate costs and create noise in the data.

There are also several other challenges associated with these packing surveys, that on closer inspection, have resulted in speed/cost differences not reflecting the correct relativity between layered versus bulk packing. Consequently, a packing speed/cost model has been developed in conjunction with an industry-wide representation of operational-based staff and Industry Supply Group (ISG) members as an alternative approach to obtain truer speed/cost differences. Essentially this model took a more theoretical approach of gathering key inputs to formulate an industry representative view of packing speed/costs.

### Why have packing speed/cost differences been updated?

Following the intentions of the pack differential payments outlined above, it's important to ensure post-harvest facilities are correctly compensated for the costs incurred from packing fruit into alternative packs. The second intention of ensuring costs are accurately captured for each pack to ensure the right market optimisation decisions can be made to drive OGR returns to growers is even more important.

### What are the financial impacts per tray equivalent (TE)?

Pack Differential Cost per tray - based on 2018 volumes			
	Prior to Packing Speed/Cost Updates	Including Packing Speed/ Cost Updates	Pack Differential Variance
GA1CK	\$0.73	\$0.90	\$0.17
HW1CK	\$0.48	\$0.62	\$0.14
HW1OB	\$0.19	\$0.24	\$0.05
HE1CK	\$0.13	\$0.15	\$0.02
Total	\$0.58	\$0.73	\$0.15

### In summary:

- A change has been made to the layered versus bulk packing speed/cost differences for all varieties.
- The change in cost is expected to:
  - o Increase pack differential payments made by grower pools
  - o Decrease fruit value return, which will decrease progress payments.
- Post-harvest will likely consider these pack differential changes when setting their packing charges.





# The month ahead: February

Canopy Management

Male Pruning

Trunk Girdling

Fruit Thinning

As we approach harvest, there are lots of tasks to tick off and some key events to support you in making the harvest decision.

Monitoring

It's getting to that time when monitoring samples are kicking off, and we're getting an indication of how fresh weight and dry matter accumulation compare to previous seasons. Monitoring is a critical part of making the harvest decision, and early samples will indicate how much of the season's potential you've captured. Check how you're going with the multipliers on the OPC fresh weight and dry matter calculator (<http://www.opccalculator.co.nz/>).

Pre-harvest orchard management

There are lots of tasks to tick off pre-harvest and getting them done soon will make orchard life less stressful in the weeks to come. Check

out the 'Harvest Checklist — Need to Know' on Canopy > Zespri & The Kiwifruit Industry > Publications > Need to Knows > NK002 - Harvest Preparation Checklist.

This checklist includes the below and much more:

1. Remove small and sun-exposed fruit as these can be a source of variability, especially if they aren't high dry matter.
2. Do you need to do a cosmetic thin? Around six fruit per minute makes it worthwhile, but you can work out cost-benefits with the thinning calculator available on Canopy > Zespri & The Kiwifruit Industry > Tools & Calculators > Calculators & Apps. See the article on page eight for more on thinning.
3. Review your maturity areas to make sure they're as uniform as possible.
4. Add extra support to sagging canopy

structures — it's important to keep both the crop and the people working under it safe (structures collapsing just before harvest isn't what you want!).

5. Low hanging fruit are perfect targets for damage by tractors and sprayers. Tie them up out of the way.
6. Are there any health and safety issues to sort such as holes, loose wires or steep slopes that need fencing?
7. Ensure tracks are graded and your orchard signage is up to date.
8. Sort the load-out area — spray weeds as soon as possible to manage wheat-bug populations and consider storing full bins in shaded areas before they're loaded onto the truck.

Don't forget...

If you're planning a second trunk girdle for dry matter, locate and clearly mark any vines where previous girdles haven't healed. These vines shouldn't be re-girdled.

If it's been dry in your region, keep monitoring soil moisture (including at depth, as while the surface may appear damp, underneath the soil is often relatively dry). Another round of male pruning is also a good idea, before a final round closer to

winter. Be sure to target any new growth.

Remember the cane you want to crop on next year loses flowering potential if it's shaded. It's important the canopy remains open right until harvest, so target the heaviest areas (you can spot them easily by darker shadows on the ground) for canopy work.

Crop protection

Keep an eye out for passionvine hopper (PVH) and control this annoying pest with applications of pyrethrum. Make sure you consult the Crop Protection Standard to check for any rule changes, and if you're not subscribed to the pre-harvest news and updates email, register online now.

Check for giant willow aphid in shelter (trimming shelters can reduce the population). Second generation scale crawlers are also on the move, so now's the time to take control (note SunGold skin is sensitive to damage from oil applications up to 80 days after fruitset).

Keep your spray diary up-to-date, too — it'll save you stress later. To check everything's ok, run a test audit. Don't leave it until you're about to harvest!

For more information on all of the above, please visit Canopy > Growing Kiwifruit > The Month Ahead > February.

## OPC pre-harvest orchard hops

Join OPC at your region's 'pre-harvest orchard hop' where we'll be visiting three orchards in three hours. This will be a great opportunity to see how different orchards in your region are tracking and to hear growers discuss their harvest plans. The OPC team will also remind you how to identify and address variability, how to get the best out of select picking, what to focus on in your clearance report and what you need to do to ensure you meet your pre-harvest requirements.

Lunch will be provided from 12:30pm, so you'll have a chance to catch up with each other before the orchard visits begin. If you can't make the free lunch, please ensure you arrive well before 1pm as we'll be starting the first orchard visit at 1pm sharp. Hope to see you all there!

Zespri

Kiwifruit

OPC

ORCHARD PRODUCTIVITY CENTRE

PRE-HARVEST Orchard Hop 2019

HARVEST DECISIONS

3 ORCHARDS

DISCUSS AND SHARE

STARTS AT 1PM SHARP. PLEASE ARRIVE BEFORE 1PM. LUNCH FROM 12:30.

FIRST ORCHARD / MEETING POINT

Nelson	Monday, 18 February	12:30 - 4pm	Dehra Doon Orchard, 197 Dehra Doon Road, Riwaka
Gisborne	Monday, 25 February	12:30 - 4pm	Harper Gold Orchard, 110 Harper Road, Gisborne
Opotiki	Tuesday, 26 February	12:30 - 4pm	Taylor Family Orchard, 95 Armstrong Road, Opotiki
Hawkes Bay	Monday, 4 March	12:30 - 4pm	Waima No. 2, 1775 State Highway 50, Hastings
Whangarei	Tuesday, 5 March	12:30 - 4pm	Whatitiri Gold Trust, 319 Whatitiri Road, Whangarei
Kerikeri	Wednesday, 6 March	12:30 - 4pm	Park on Orangewood Road, Kerikeri (follow the signs)
Te Puke 1	Friday, 8 March	12:30 - 4pm	Te Mara Rowe, 226 Young Road, Te Puke
Katikati	Monday, 11 March	12:30 - 4pm	MacMillan Orchard, 275 Beach Road, Katikati
Auckland	Tuesday, 12 March	12:30 - 4pm	Monaco Orchard, 41 Cuff Road, Pukekohe
Edgcumbe	Friday, 15 March	12:30 - 4pm	Phoenix Orchard, 61 Galatea Road, Edgcumbe
Tauranga	Monday, 18 March	12:30 - 4pm	Puketiro Orchard, 345 Joyce Road, Tauranga
Waikato	Wednesday, 20 March	12:30 - 4pm	TBC
Te Puke 2	Tuesday, 26 March	12:30 - 4pm	TBC





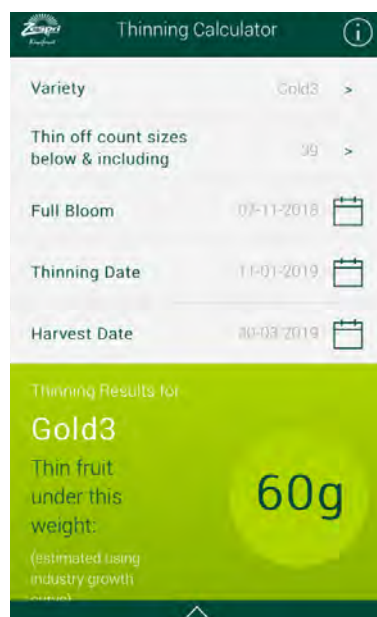
## Thinning: size and shape

Do you know what fruit weight you should be thinning to? Do you know which fruit are likely to make the minimum size? OPC have a mobile app to help you work it out. Designed for all commercial varieties, the app tells you (based on industry multipliers and your fruitset date) what fruit weight you should be thinning to. The thinning weights kick in at 60 days after full bloom.

To download the app, search for Zespri in App Store or Google Play

and download the OPC productivity calculator. You can also access a desktop version at <http://www.opccalculator.co.nz/#Thinning>.

If you'd prefer to work it out yourself, you can access the updated industry fresh weight and dry matter multipliers at Canopy > Growing Kiwifruit > Orchard Management > Taste & Dry Matter > Taste & Dry Matter Tools & Multipliers. They're available in several different formats, and cover SunGold, Green14 and Hayward.



## Pesky passionvine hopper

You may be starting to see passionvine hopper (PVH) nymphs appearing on your orchard or home garden. PVH is best controlled at the nymph stage, so it may be worth thinking about control measures. PVH adults will lay eggs in just about any woody tissue (including fruit stalks and the corners of posts), and they often hop out of bush on orchard boundaries. The only chemical you've got in your toolbox is pyrethrum (remember to

check the PHI of the product you select), but it isn't cheap — so make sure you're putting it in the right place! Thorough monitoring will help you identify where you need to be spraying, and you can check the crop protection standard for correct rates on the Canopy website. If PVH is getting away on you, regular (two to three week interval) applications of TripleX can help to prevent sooty mould development on fruit.



## Zespri Digital Pathways Survey – we want your opinion!

To better understand what our stakeholders' value from us in the digital space, we've created a short survey to hear your thoughts. We want to know what online tools you currently use and value. We also want to hear about how you gather information, and how you like to consume it.

Have you got an idea for a new online tool or system that would save you time or money? Let us know! Check it out online at <https://www.surveymonkey.com/r/5BLR5RC>. Thanks in advance for your participation!

## Warning – batch of Pyganic distributed with incorrect label rate

A batch of Pyganic (batch number AC1264) has been distributed nationally with the Australian rate on the label. When using Pyganic, please ensure you're using 100ml/100L water as per the Crop Protection Standard. The incorrect rate shows 200ml/100L water.

Retailers have now been advised to remove any stock on shelves with the incorrect rate until correct labels are sorted. If you have any questions or concerns around this, please call the Crop Protection team on 0800 155 355. Zespri is in discussions with the distributor, Key Industries, as to how this has occurred and what will be done to prevent future occurrence.



## ZESPRI IN THE COMMUNITY

### Congratulations to our 2019 Zespri horticultural scholars



**Aimee Elliott**

Aimee is studying an Agribusiness degree at the University of Waikato and is a keen athlete. She's proud of the resilience the industry has shown over recent years and says the best thing about the kiwifruit industry is the wide range of people, skills and opportunities available.



**Andrew Jenkins**

Andrew is currently studying a Bachelor of Commerce at Victoria University and is a familiar face in the industry. He loves the variety of work available — from orchards and packhouses to labs and offices. He notes there's something for everyone in the kiwifruit industry, with plenty of jobs available and new ones popping up regularly.

Stay tuned to hear more about our scholars and their progress!

### Senior Vietnamese VIP tour group



*VIP Vietnamese delegates visit Zespri.*

Earlier this month, a senior Vietnamese VIP tour group (who are in New Zealand to learn more about local government leadership and attend site visits) was thrilled to visit Zespri and hear from our external relations lead Amy Porter. The presentation included a general overview of Zespri and the kiwifruit industry, along with specific information about Zespri in Vietnam, and was a great chance for us to foster new relationships with the delegates.





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

# Best young fruit growers to be crowned

The highly anticipated 2019 Bay of Plenty (BOP) Young Fruit Grower competition will be held on 9 February from 9am to 3pm at the Te Puke A&P Show Horticulture Village. Featuring a series of practical and theory activities, contestants' skills and abilities will be tested in a competitive and fast-paced environment which acknowledges excellence in horticulture.

Andrew Dawson, Chair of the BOP Young Fruit Growers Upskilling Committee, says "The horticulture industry needs young talent to ensure it can continue to grow rapidly. Young Fruit Grower competitions not only promote the talent that exists in horticulture, but they also retain, develop and build that talent."

The competition will consist of eight under-30s who have been employed full-time in the fruit industry for at least three years. Winners will be announced at the gala dinner on 13 February, which will involve a final speech competition. Tickets to the gala dinner are \$90 per person (with tables of 10 available) and include a three-course meal and entertainment. Networking and drinks start at 5.30pm, before renowned comedian and entertainer Jackie Clarke takes over as MC for the evening.

Tickets are selling fast, so grab yours now and show your support for the industry's young achievers. Tickets are available at [www.bopyoungfruitgrower.co.nz](http://www.bopyoungfruitgrower.co.nz).



Gala dinner MC: comedian and entertainer Jackie Clarke.



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

# Regulation changes to on-orchard bathrooms

Approval requirements for on-orchard toilets have changed, so if you're in the Bay of Plenty and thinking of putting a toilet on your orchard, please contact NZKGI for information about current and proposed regulation changes. NZKGI Senior Policy analyst Sarah Cameron is happy to help you out – email her at [Sarah.Cameron@nzkgi.org.nz](mailto:Sarah.Cameron@nzkgi.org.nz).



# Promoting biosecurity across the Bay of Plenty



Two videos have been produced by the Tauranga Moana Biosecurity Capital (TMBC) team, to raise awareness as to how forest users can help keep kauri dieback from entering the forests of the Bay of Plenty.

The videos are around a minute long and include majestic visuals of kauri alongside ideas for how we can protect this national treasure. Local Bay of Plenty talent, including mana whenua, talk about the desired biosecurity behaviours we want to see from everyone: 'scrub, spray, stay' (clean footwear, use disinfectant, stay on track). This messaging is in line with the national kauri dieback programme and Ko Tātou: This Is Us, the biosecurity initiative encouraging everyone to play a part in protecting the things we hold near and dear and to be an active member of the 4.7 million strong biosecurity team.

All Black Joe Webber and his son Kian Webber are in one of the videos – they're strongly supportive of the biosecurity kauri dieback

kaupapa. KVH and other TMBC partners are sharing the videos on websites and social media channels, and if you're at any Bay of Plenty movie theatre, you may also see one of the videos pop up as pre-show advertising.



New videos show Kiwis how to protect precious kauri.

# Latest pest detection information



Each month during the high-risk summer season, KVH publishes updates on two of kiwifruit's most unwanted pests – the Brown Marmorated Stink Bug (BMSB) and fruit fly.

These updates are published on the KVH website and advertised in the fortnightly KVH Bulletin as soon as they become available. Featuring the latest data from the Ministry for Primary Industries (MPI), the updates cover detections at the New Zealand border, actions being taken by MPI and industry groups to manage the risk posed by BMSB and fruit fly, and international research updates.



Keep an eye out for KVH pest updates.

# Make the most of the Psa Risk Model



A reminder to keep watching the Psa Risk Model when pockets of moderate and high-risk weather occur. When day/night temperatures average 20 degrees or higher, for periods of a week or more, Psa infection risk falls away but, outside of this, growers should use the model to assist with planning spray and orchard activities.

Additional features were added to the model display late last year to help interpretation, including a graph guide (in the list to the right of the options box) that covers the basics of graph features and plots to assist users. A Wet Hours column has also been added to the data table to provide insight into the possible reason for days with low-risk (R index).

KVH has been advised access to the Waihi weather station has been temporarily disabled while data access issues are improved. We apologise for this inconvenience which we hope will be resolved in the coming weeks.



Planning spray activities? Consult the Psa Risk Model.



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# 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 | **Opoitiki** 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](http://www.nzkgi.org.nz/about) or call 0800 232 505.

# Tribute to Ian Elliot

The Zespri team would like to acknowledge Ian Elliott who passed away recently. Ian was an inaugural member of the Zespri Directors Remuneration Committee when it was established in 2010, and continued as a shareholder member until 2013.

Zespri Chairman Peter McBride,

who worked closely with Ian, said he was a natural leader. "Ian committed most of his life to charitable work and was highly respected," says Peter. "He was also an incredible businessman and understood that while success was important, it's people that make it happen."





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: I have leafroller and/or scale pest monitoring results that are over the KiwiGreen threshold. Do I need a Justified Approval (JA) to apply a spray?**

**A1:** Most orchards will now be in their monitoring period. Formal pest monitoring records are required for each orchard block to justify a spray application. If a block is over the KiwiGreen threshold (scale four percent or leafroller 0.5 percent), a spray listed in the Zespri Crop Protection Standard can be applied without a JA. The pest monitoring results must be recorded in the electronic spray diary. For more information, contact Zespri Crop Protection Advisor, Melanie Walker, on 0800 155 355 or by email a [spraydiary@zespri.com](mailto:spraydiary@zespri.com).

**Q2: Why has my orchard been selected for residue testing months before harvest?**

**A2:** The Zespri residue programme helps mitigate the risk of residues and protects Zespri's premium brand in the marketplace. Some randomly selected orchards are sampled well before harvest to understand and mitigate the risk certain compounds may cause by identifying areas of potential risk for the upcoming season. Some spraying will be happening now in accordance with the Zespri Crop Protection Standard which will result in obvious residues, but we'll only be identifying compounds that pose potential market risks.

**Q3: Will Zespri hold industry field days for growers to look at pre-commercial varieties?**

**A3:** Yes, field days will be held on 19, 20 and 21 February. An invitation will be extended through your post-harvest facility — check with your packhouse for times and dates.

**Q4: How will I be notified when Eurofins is coming to take a sample? And who will they contact?**

**A4:** In most instances, Eurofins will send a series of text messages to notify when a sample will be collected from your orchard. These include:

- A text message notification the day before the sample is to be collected, including a request for any additional health and safety related information
- A text message when the sampler enters the orchard
- A text message when the sampler leaves the orchard.

Eurofins is investigating whether further notifications will be possible this season to advise and update the grower on the likely time of arrival of the sampler.

The text messages will be sent to the health and safety contact for your orchard as listed in Eurofins' database. To ensure this contact is up to date or to reconfigure how you receive notifications, please contact your post-harvest facility, or phone Eurofins on 0800 387 63467.

## What will prevent Eurofins from collecting a clearance sample from my orchard?

Orchard health and safety information must be updated by each orchard's primary health and safety contact before a clearance sample can be collected. This update must occur at least once a year prior to the commencement of sampling and includes the update of hazards. Once sampling commences, some stop-sampling procedures are applied to orchards in order to protect Eurofins samplers. The most commonly encountered risks are:

- Long grass (above 30cm – including headlands and access ways) restricting the visibility of the terrain (such as slopes, holes and debris). This doesn't apply to spray strips under the leaders or areas where samplers will not be accessing
- A significant amount of hard fruit on the ground
- Collapsed or damaged structures
- Spraying – if spraying is in progress and there's a risk of spray drift from a neighbouring block, or if a sampler suspects a block has just been sprayed
- Curtains that are too heavy or cumbersome to be lifted by samplers
- Reflective mulch or Extenday poses a risk if it's wet (from rain or soft fruit), or if the cloth is loosely laid, has holes in it or is uneven due to weeds or holes underneath

- Holes in the orchard that aren't identified by being flagged or marked
- Loose wire, guy wires, tee-pee strings or nooses at row ends or through canopy
- Aggressive or violent growers or orchard contractors.

In all instances where the sampler visits the orchard and a sample can't be taken, a sample collection fee will apply. If a stop-sampling incident occurs on your orchard, Eurofins will contact your orchard representative. In some instances, a Grower Liaison Manager may also be in touch to discuss what needs to be resolved. If you have any concerns around sampling on your orchard, please contact your Grower Liaison Manager directly.



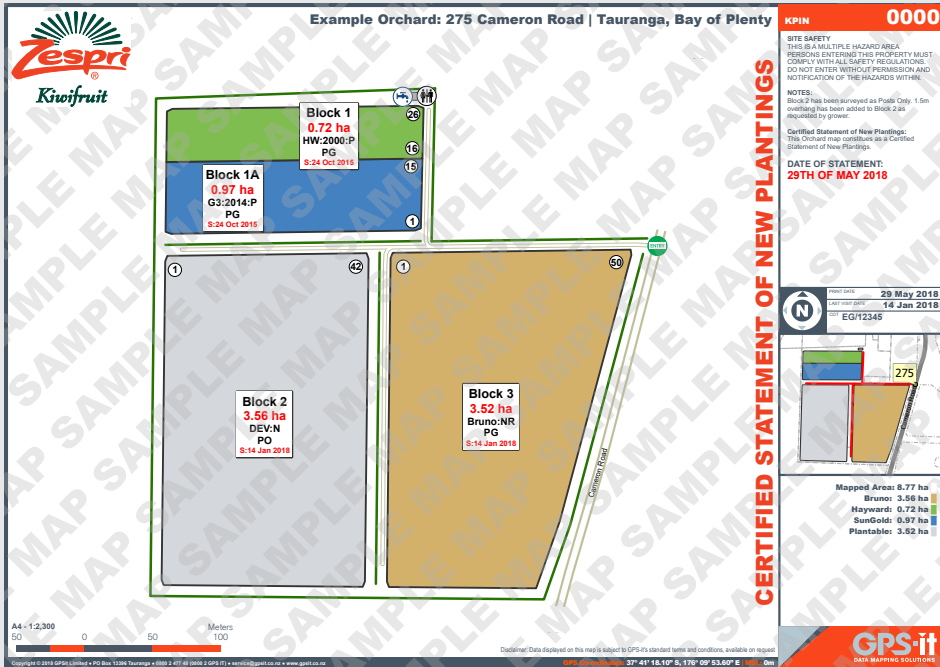
## Local legend Neill Malcon retires

After 28 years working for Zespri (and its predecessor, the Kiwifruit Marketing Board), long-serving Grower Liaison Manager Neill Malcon has retired.

For the past year he's been working on key projects, but he previously led the seven-strong grower liaison team for around 13 years. "I loved my job," he says. "The best part was dealing with growers, and 99 percent of growers are just marvellous people. The other highlight has been having a loyal team of great people."

Outside of work, Neill has continued to buy, train, ride and breed horses on the lifestyle block where he and wife Heather live above Ohauti. He's taken fewer than five sick days in 28 years, so he's looking forward to spending more time with his horses and family. Tom MacMorran now heads up the grower liaison team, if you have a query and you previously dealt with Neill, please call Tom or any of our Grower Liaison Managers.

## Forwarded your map yet?



A reminder to forward a copy of your latest GPS-it map onto your post-harvest facility. Please contact Zespri Grower Support Services to confirm if you have the latest version of your map.