

 31 July 2019
 ISS

 From the markets
 Water Strategy Leadership

 Group update
 Zespri grower roadshow

# **MOMENTUM 2020**- SAVE THE DATE!

Round up your friends, family and workmates and get ready for two incredible days of insights and inspiration — Momentum is locked and loaded for 13 and 14 February 2020 at Trustpower Arena.

The kiwifruit industry two-day conference is starting to take shape, with an exciting agenda packed with international keynotes, deep dive sessions, networking opportunities, the official opening of the new Zespri headquarters and the Hayward Medal Dinner.

Registrations will open in September, so pop the date in your calendar and keep an eye out for the August issue of *Kiwiflier* for further details. Momentum 2020 is not to be missed.

## Kiwiflier goes green

You might've noticed something different about this issue of *Kiwiflier*...

*Kiwiflier* is in for a new look and feel in 2020, but we're not waiting until then to announce an exciting (and sustainable) change to this valuable grower newsletter. We're proud to advise *Kiwiflier* is now made from 'FSC Mix' paper stock which is highly sustainable compostable and wormfriendly. FSC Mix is one step further than 'FSC Recycled' paper stock, and is made from a mix of wood from FSC-certified forests and FSCcertified recycled material and wood products from controlled sources.

These exciting changes reflect Zespri's wider commitment to sustainability. FSC is internationally recognised as the most rigorous environmental and social standard for responsible forest management. Its great strength lies in its ability to encourage discussion between business, the public sector and civil society, providing a unique tool for dealing with the issues surrounding forestry. FSC works hard to protect wildlife habitats and species, preserve forests, enhance worker safety and wellbeing, respect the rights of Indigenous Peoples, value communities, protect waterways and reduce pesticide use. FSC-certified wood comes from responsibly managed forests, so it's renewable, reusable and requires less energy to recycle than other materials.

**ISSUE #404** 

PAGE 2

PAGE 3

PAGE 5

*Kiwiflier* is now a sustainable resource, so once you're done flicking through this issue, you can pop it in the home compost or into your worm farm. And here's a tip — worms prefer soft paper, so soak it in water first.

To help us on our sustainability mission, you can opt to receive *Kiwiflier* via email only — simply let us know by emailing <u>contactcanopy@zespri.com</u> and we'll make the change for you. Or you can jump online anytime to read *Kiwiflier* by visiting https://zespripublications.co.nz/kiwiflier-2019/.



Updated spray safety brochure

We're an important part of local communities, and we want to be a really good neighbour. And because we're a successful and growing industry, people notice us and what we do, and that scrutiny will grow as we do.

**FEBRUARY** 

13-14

Spray use is one of the areas we know people are concerned about because we constantly hear from members of the community about it. They want to know about the applications we're using and that we are doing it safely. When we don't, we open ourselves up to fair criticism.

That means, that as we come into hydrogen cyanamide (HiCane) spraying season, it's more important than ever that spray applicators follow the rules when applying hydrogen cyanamide, every single time. All orchards must be assessed for sensitive areas nearby including public spaces like roads, schools and parks, as well as neighbouring properties, and these areas should be clearly documented in the spray plan including the steps that will be taken to reduce drift. Where shelterbelts are missing or incomplete, other measures must be in place to mitigate spray drift.

As well as spray plans, spray operators must be trained to ensure they can effectively manage spray drift. This includes compulsory use of AI (air inclusion) nozzles, drift-reducing adjuvants and making sure spray equipment is calibrated and set up correctly. If you have any spray-related queries, please contact the KGI spray hotline on 0800 232 505. This edition of *Kiwiflier* also includes a copy of the updated spray safety brochure, which is also available online at www.nzkgi.org.nz.

Remember, good practice spraying for hydrogen cyanamide means growers should:

- Put up spray signs at least 24 hours before spraying starts
- Notify neighbours of your intention to spray at least 12 hours before spraying
- Notify contractors and visitors who may be on your orchard for various other work activities
- Check wind conditions before spraying. Do not spray if wind conditions are more than a light breeze towards neighbours (wind felt on exposed skin, leaves rustle)
- If there's no shelter, or the shelter is incomplete, use a no-spray buffer of 30 metres to minimise drift onto neighbouring properties, including roads
- Take special care before spraying in areas where school children may be walking by or waiting for the bus, where dogs are being exercised, or where your rural postie may be driving up the road
- Set up sprayers correctly, as poor coverage on canes can lead to poor budbreak. Make sure sprayers are accurately calibrated before the spraying season starts
- Al nozzles must be used along with adjuvants or spray additives to reduce spray drift. Al nozzles reduce drift and recent research which compared HiCane application with Al nozzles to standard hollow cone nozzles found no significant difference in their biological efficacy including budbreak, flower numbers and fruit.

# Industry success celebrated at 20th Annual Meeting

Zespri hosted its 20th Annual Meeting in Mount Maunganui this month, with Chair Bruce Cameron and CEO Dan Mathieson reporting on the 2018/19 season and providing an update on Zespri's strategy and future direction.

In his first address as Chair, Bruce highlighted the successful 2018/19 season, noting that as our success continues to grow, so too will the scrutiny we face. It is therefore, and the importance of our

grower pools beyond what is already agreed under the KISP margin structure. He also reinforced Zespri's focus on sustainability, highlighting that today "it's not just about the fruit we produce, it's about how we're delivering it right across our supply chain." Sustainability will provide both challenges and opportunities for Zespri, and while our industry had some great initiatives underway, there's more

we can and should be doing.

Paul Jones was also re-elected as a Grower Director, and Jonathan Mason re-elected as an Independent Director. A summary of the preliminary results for the seven resolutions voted on at the meeting follows below.

Resolution	Resolution Description	% Votes for
1.	Approval for the company's 2018/19 Annual Report	99%
2.	Election of Director - Vacancy 1 (Paul Jones)	90%
3.	Election of Independent Director - Vacancy 2 (Jonathan Mason)	98%

industry continuing to find solutions together to challenges like sustainability.

Looking to the future and our pursuit of our goal of \$4.5 billion in sales by 2025, Bruce said "We will have to avoid distractions, remain focused on growing value, growing markets, building the brand and delivering the world's best kiwifruit all 12 months of the year. We will ensure we've learned from our mistakes, that we identify and manage risk and that we make sensible, commercial decisions. And we will listen to our consumers. They know what they want, and we will make sure we deliver it to them. If we don't then someone else will."

Dan highlighted some of the excellent results we achieved in 2018/19, including record per hectare average returns of \$64,000 for Green and \$146,000 for SunGold, total operating revenue reaching \$3 billion for the first time, and our total fruit and service payments increasing 24 percent to \$1.8 billion.

He confirmed Zespri will be investing in modernising our operating systems, to be funded under existing industry mechanisms with no requirement to seek additional funding from the industry or access Dan reinforced that Zespri's strategic focus would remain on increasing demand, building our brand and in-market relationships, collaborating across our New Zealand and offshore bases, supporting innovation and establishing a culture that enables people around the world to thrive through shared cultures and better connections.

Both Dan and Bruce also paid tribute to former Chairman Peter McBride who has retired from the Zespri Board, highlighting that Peter's leadership has laid a great foundation that will allow our industry to chase the exceptional opportunities ahead of us.

Craig Thompson elected to the Board

Craig Thompson has been elected as a Grower Director of Zespri, replacing Peter McBride who has retired from the Board.

Craig has significant history in the industry, both as a grower himself and through the various roles he has held including Zespri Global Supply European Manager where he was based in Italy, and as Managing Director of OPAC. His kiwifruit investments include orchard ownership in Gisborne, Opotiki, Te Puke and Latina Italy.

4.	Craig Thompson David Jensen	69% 31%
5.	Election of shareholder member of the Director Remuneration Committee – Vacancy 1 (Michelle Dyer)	98%
6.	Appointment of Auditor – (KPMG)	99%
7.	Increase to Director remuneration	85%



Bruce Cameron addressing participants at the Zespri Annual Meeting.

Newly elected Zespri Grower Director, Craig Thompson.

# From the markets

#### SunGold in the spotlight

Did you know that this year around one million Tray Equivalent (TE) of Class 2 SunGold will be sold on the New Zealand domestic market?

Under the Kiwifruit Regulations 1999, Zespri is limited to 300,000 TE of kiwifruit sales in New Zealand, so Zespri has a Service Level Agreement (SLA) with suppliers which allows us to sell Class 2 SunGold on the domestic market. The SLA specifies grade standard, taste standard and fruit labelling requirements as well as the value for Plant & Food Research royalty contribution. The revenue from suppliers' SunGold domestic markets sales programme goes directly from suppliers to growers and isn't part of any Zespri-managed payment process.

For the first time, suppliers are collectively contributing NZD\$300,000 to a marketing fund to support their Zespri-branded SunGold sales programme on the domestic market. Jodi Tong has been appointed to manage this programme. For 2019, this marketing activity is primarily targeted to event sampling to raise awareness of SunGold and communicate its health benefits.

The first of these events, The Women's Expo, took place in Wellington earlier this month. Over the course of two days, more than 5,000 half SunGold fruit samples were handed out to visitors and coupons (\$1.00 off per kilogram) were included in 9,600 goodie bags. We received positive feedback from sampling teams who said health messaging around vitamin C levels and unique BioSpifes created a lot of interest, and consumers were clearly impressed by the great tasting samples — many kept coming back for more!

Future sampling events include The Women's Expo in Christchurch, The Aims Games in Tauranga and the Auckland Marathon.





#### Massive roadshows in Korea

During May and June the Zespri Korea team hosted three of their biggest-ever roadshows at major retailers. The purpose of this year's roadshows was to maximise sales at the beginning of the season, so Zespri Korea staff worked with distributors, retail customers and agencies to successfully hold events at large shopping complexes where consumers could taste SunGold kiwifruit and have photos with the Kiwi Brothers. These three large scale roadshow events saw a total of 98,912 consumers taste Zespri kiwifruit and engage in games. We saw indications of significant changes in consumer behaviour, too — with 64 percent of survey respondents saying they'd like to purchase Zespri Kiwifruit more frequently after experiencing the tasting event.



Consumers tasting SunGold in Korea.

#### Zespri Japan Organic Summit

Earlier this month, the Japan sales team brought together organic buyers and category managers from key customers to discuss the current and future state of the organic category at the first ever Zespri Japan Organic Summit. The companies in attendance were part of the Co-op structure who sell largely through mail order catalogue and account for more than 50 percent of Zespri Organic sales in Japan. The Co-ops were formed in Japan post-World War II to ensure both safety and security of food supply — today they differentiate from mainstream retailers through their organic offering and their promotion of direct grower relationships. It was therefore fitting that the Summit was attended by Zespri Organic growers Jeff Roderick and Braden Strahan, alongside Organic Global Marketing Manager Alice Moore.



#### Growing SunGold partnership in Japan

A signing ceremony was recently held at the Tamaki City Hall as our newest Japanese growing partner, Asai Nursery, and the city of Tamaki announced their partnership to grow SunGold. Nick Kirton, Asia Regional Manager, was joined by the Governor of Mie Prefecture, Mr Suzuki, in witnessing the signing ceremony. The 7.3 hectare site will become the largest orchard on Japan's main island of Honshu and represents another important step in the work led by Brian McGillivray and Osamu Francis in transforming our Japan ZGS business model.

Tamaki City Mayor Mr Tsujimura said he was looking forward to revitalising the local agriculture industry with the development of kiwifruit orchards. Zespri is also pleased to be adding a new, young, innovative growing partner with deep ties to the local community.

In a great example of collaboration across the Asia region, Asai Nursery paid a visit to Korea's ZGS nurseries earlier this month. This visit was an opportunity for Asai Nursery to learn and improve its nursery management skills, and for relationships to be built across the two ZGS countries while Japan and Korea look to learn from each other to meet their expansion targets.



Asai Nursery and Zespri team members checking out summer SunGold grafting.

#### Taiwan 'zuper' summer campaign

The Taiwan team recently pulled off a successful summer campaign called 'beyond fruit, zuper feeling.' The campaign was designed to build the role of kiwifruit in consumers' daily lives and to remind them of the benefits of Zespri kiwifruit which extend far 'beyond' simple health — feeling 'zuper' encapsulates everything from digestion and weight control through to skin vitality and increased energy. The team successfully pushed these key messages through television commercials, digital promotions, roadshow sampling and a medical PR campaign. They also enlisted the support of micro-influencers who promoted their own 'zuper feelings' via social media.



SunGold samples were a hit with consumers at The Women's Expo.

Left to right: Braden Strahan, Jeff Roderick, Alice Moore and a Co-op Kobe fruit buyer.



75 micro-influencers posted more than 185 times on social media, during a recent campaign to drive awareness of Zespri kiwifruit's health and wellbeing properties.

### 2019 Harvest Dinner

The reception area of Zespri's new building turned into a restaurant for the annual Harvest Dinner this month, with around 200 shareholders and industry leaders gathering to farewell long-serving chairman Peter McBride and celebrate the end of another New Zealand harvest.

Chairman Bruce Cameron explained that after 17 years on the Zespri Board, 285 board meetings and literally thousands of KISP meetings, Peter's leadership has changed the industry for the better.

Peter told his family's kiwifruit story in the wider context of the New Zealand industry story, from the industry's formation under a single marketer through the dark days of Psa to now. He also thanked his wife Linda for her unswerving support over the years.

The dinner saw New Zealand scientist Dr Philip Elmer awarded the industry's innovation award for his part in protecting kiwifruit against pests and supporting the industry's efforts to become more sustainable.

Dr Elmer, a senior scientist at Plant & Food Research, was awarded the Sir Brian Elwood Award for developing the organic-certified biological control agent Aureo Gold which is used to control the vine disease Psa.

### David Scullin appointed to lead Digital

Zespri has appointed Dave Scullin as Executive Officer Digital and Technology. Dave joins us from Ballance where he has worked for the last four years as Chief Digital Officer and as Chief Information Officer.

At Ballance, Dave led the launch of a customer experience platform and shaped a strategy to develop personalised service for customers, with real-time data to drive decision-making and more simplified business processes. He helped to make digitisation core to the cooperative and to its competitiveness. Before Ballance, Dave was Chief Information Officer for Livestock Improvement Corporation (LIC) — a role that involved developing their strategic technology plan and delivering mobile and web-based applications for thousands of farmers to improve their productivity.

Zespri Chief Final Officer Richard Hopkins says, "Dave has a fantastic track record of leading large-scale digital transformation projects that put customers at the heart of the business."



# ZESPRI IN THE COMMUNITY

### Kellogg alumni event

We've partnered with the New Zealand Rural Leadership Trust for many vears now and are thrilled to host the inaugural alumni event for Tauranga. The event will be held in the Central Hub on 14 August, with plenty of

time for networking and hearing from previous graduates of the Kellogg programme. It's also a good opportunity to hear about the Nuffield programme, as applications close the following week, so if

you know someone who may be a suitable candidate please encourage them to come along. To RSVP, visit https://ruralleaders.co.nz/2019regional-forums/

# Kiwi naming and release

Earlier in the month we were extremely fortunate to name and release our third kiwi, so it's our pleasure to introduce you to the latest addition to the kiwi clan... Sonny!

After partnering with Ōtanewainuku Kiwi Trust more than a year ago, we've had the chance to release and name two kiwi birds, Koura and Izzy. Sonny was named by Zespri staff and is a healthy male, weighing in at 1.76kg before being released into Ōtanewainuku Forest. Watch this space for more Sonny stories.





### Graeme Dingle Foundation



### SUSTAINABILITY AND INNOVATION

### Water Strategy Leadership Group update

The industry's Water Strategy Leadership Group, made up of representatives from NZKGI, Zespri and Iwi has held its first meeting as the industry works towards a strategy to manage our water use.

"We're committed to becoming a more sustainable industry, and managing our use of New Zealand's fresh water is an important part of that," NZKGI CEO Nikki Johnson says. "We need to work together to protect and enhance our water resources in order to maintain the support of our communities to allow us to grow as an industry and to deliver greater returns to growers. To help achieve this, we're looking at the use of water on orchards, what we can do to promote its sustainable use and strengthening our data so we can measure our progress and improve where necessary. The Leadership Group will release a draft strategy to the industry for feedback, as we work towards finalising the strategy."

with growers during the August roadshows, and I encourage you to get involved."

Zespri's CEO Dan Mathieson says the kiwifruit industry has grown strongly, delivering almost \$3 billion in sales in 2018/19, but that growth can't be taken for granted. "We're succeeding because of the support and strength across our interdependent industry right through to the incredible demand from consumers, and we want to continue to make positive contributions right across our supply chain.

# New Zespri headquarters living up to its design purpose



Zespri and its industry partners have been successfully operating out of the new Mount Maunganui headquarters for three months now.

Designed to be a practical and innovative landmark, the new building oozes sustainable functionality and is certainly living up to expectations. The building boasts an array of collaborative meeting spaces and has played host to a number of important industry events already, including 110 growers who came to check out the new headquarters and learn more about the building's design features as well as Zespri's commitment to sustainability and our alignment with Activity Base Working.

· 45 percent reduction in printed paper use

- · Most publications now printed on FSCcertified paper that can be recycled (including this issue of Kiwiflier you're reading!)
- · Introduction of compostable courier bags

Zespri's Chief Innovation and Sustainability Officer Carol Ward, who chairs the Leadership Group, says Zespri is making progress in a number of other areas, including carrying out benchmarking work on packaging and our carbon footprint and joining the Sustainable Business Council. "We're looking at our industry footprint right across the supply chain. We've done well in a number of areas but we can do better. We'll be holding extensive discussions with the industry in the coming months, including

"We need to show consumers that we're growing a healthy product in an environmentally and socially responsible way. This includes being responsible users of water, good employers, being sensible about what we put into our orchards and removing plastics from our supply chain where possible. We see it as a real opportunity - consumers are willing to pay more for high value products they believe in and they're refusing to buy what they don't. We can get ahead of our competitors if we have the will to do so. That's why we're starting this discussion with the industry, so we can find a way forward together which ensures our continued success."

Close to 100 businesspeople, including Alister Hawkey and some of the Trevelyan's team, also attended the bi-monthly Bay of Plenty Sustainable Business Network event. While admiring the building's features during a walkthrough, Alister commented, "This is such an amazing space! I can see how much better this will be for productivity, collaboration and ideation. This is an incredible win for staff and our industry."

The new headquarters delivers on a number of specific sustainability focuses, including waste minimisation and transport. Here are some of the great results we've achieved over the past three months:

Reduction in waste to landfill by 3m<sup>3</sup> per week

- · Official sign up to the waste minimisation project with Tauranga City Council
- More than 90 green fleet hours (encompassing two push-bikes and two e-bikes) booked for travelling to meetings and commuting
- More than 65 staff members trained in road cvcle safetv.

#### As part of the demolition of the old building:

- · Metal was extracted and sent to the Rotorua scrap metal vard
- Some of the specialty timber from the Hayward Wright boardroom will be reused in new meeting wing
- Brick and concrete was given to a Waikato roading company, where it will be crushed and used for road bases
- 3000 cubic metres of soil (to be moved over the next two months) will go to Bay Oval.

# 2019/20 Season Return Analysis

Class 1 - Approved Progress Payment 15 August 2019	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	No payment
Zespri Organic Green	\$0.40	\$0.05	\$0.45	\$0.60	\$0.40	\$0.40	\$0.05
Zespri Gold3 & Organic Gold3	\$0.08	\$0.05	\$0.05	\$0.15	\$0.05	No payment	No supply
Zespri Green14	\$0.24	\$0.80	\$0.55	\$0.50	\$0.20	\$0.20	\$0.10
Class 1 - Indicative Progress Payment 13 September 2019	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
		<b>16/18/22</b> \$0.05	<b>25/27</b> \$0.05	<b>30/33</b> \$0.05	<b>36</b> \$0.05	<b>39</b> \$0.05	<b>42</b> No payment
13 September 2019	Net Submit						
13 September 2019 Zespri Green	Net Submit \$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	No payment

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.

### Board approves a final and interim dividend The Zespri Board has approved the payment of a 2018/19 final dividend and the payment of a 2019/20 interim dividend to shareholders.

The 2018/19 final dividend is 17 cents per share, authorised for payment on 16 August 2019. It brings the total dividend paid for 2018/19 to 92 cents per share. An interim 2019/20 dividend payment of 67 cents per share is authorised for payment on 16 August 2019. This reflects a decision to set the dividend at the mid-point of our 70-90 percent dividend policy range in light of planned expenditure for our future operating model. This interim dividend payment is being made to distribute the majority of funds generated from the April 2019 Gold3 licence issue. Please note that this is in addition to the interim dividend that is normally paid in December. Both the final dividend and the interim dividend are payable to all holders of fully paid ordinary shares in Zespri Group Limited who are registered as holders of such shares in the share register of the Company on 9 August 2019. If you intend to trade shares within a week prior to 9 August, please seek advice from your share broker as to your eligibility for these dividend payments. The final and interim dividend will be fully imputed. A supplementary dividend will be paid to all non-resident shareholders who do not receive the benefit of imputation credits.

# 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.

August 2019 approved progress payments on Net Submit trays Approved per tray progress payments for 15 August 2019:

Class 1	
Zespri Green	\$0.05
Zespri Organic Green	\$0.40
Zespri Gold3 & Organic Gold3	\$0.08
Green14	\$0.24

#### September 2019 indicative progress payments on Net Submit trays Indicative per tray progress payments for

13 September 2019:

\$0.05
\$0.26
\$0.48
\$0.82

#### **Orchard Gate Return**

The OGR calculations reflect post-harvest cost data compiled by Ingham Mora Limited in May 2019, the June 2019 forecast fruit loss percentages and current productive hectare information.

Value (\$)

## SHARE BRIEFS

As at **23 July 2019** the last Zespri share price trade was **\$8.20**, traded on **23 July 2019**. There were three buyers, at **\$8.15**, **\$8.00 and \$7.35**. There were two sellers at **\$8.25** and **\$8.30**.

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 July 2019.

Quote Line at Tuesday 23 July as at 3.20pm						
Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	8.150	8.250	8.200	8.200	8.200	42,000

Market Depth					
	BIDS			OFFERS	
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	15,200	8.150	8.250	5,000	1
1	4,000	8.000	8.300	5,000	1
1	5,000	7.350			

#### ZESPRI GROUP LIMITED SHARE TRADES 23 JULY 2018 TO 23 JULY 2019

\$10.00 -----

Last 10 Trades
Date/Time Quantity Price (\$)



\*Zespri completed a 3-for-2 share split on 15 March 2019 which increased the number of shares on offer by 50%. The drop in share price after this date reflects the market adjustment following the share split.

23/07/19	39,000	\$8.20	319,800.000
23/07/19	3,000	\$8.20	24,600.000
19/07/19	20,000	\$8.18	163,600.000
18/07/19	15,000	\$8.15	122,250.000
17/07/19	10,000	\$8.15	81,500.000
17/07/19	5,000	\$8.15	40,750.000
16/07/19	26,976	\$8.15	219,854.400
16/07/19	5,000	\$8.15	40,750.000
10/07/19	1,000	\$8.10	8,100.000
9/07/19	1,000	\$8.20	8,200.000

#### **Director share trading**

For the month of July (as at **23 July**), there were no shares traded by entities associated with Zespri Directors. See the Canopy for details: Canopy > Growing Zespri Kiwifruit > Working with Zespri > Shares. Alternatively search for 'Director Shares' using the search function.

Please note that at any time that content for the *Kiwifilier* 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.

# Zespri grower roadshow - August

Grower roadshows are a great opportunity for growers to hear from Zespri senior management. Our August Roadshows will feature a season update, a focus on sustainability and an update on new varieties. Mark the dates in your diary – we'll see you there!

Date	Venue	Time
Thursday 22 August	<b>Nelson</b> Top 10 Holiday Park, 10 Fearon Street, Motueka	11am – 1pm
Monday	Kerikeri The Turner Centre, 43 Cobham Road, Kerikeri	11am – 1pm
26 August	Whangarei Northland Events Centre, 51 Okara Drive, Whangarei	4pm – 6pm
Tuesday	Auckland Pukekohe Park Raceway, 222-250 Manukau Road, Pukekohe	10am – 12pm
Tuesday 27 August	Waikato Mighty River Domain, CRNZ Community room, Lake Karapiro, 601 Maungatautari Road, Cambridge	3pm – 5pm
Wednesday	Hawke's Bay The Crown Hotel, Corner Bridge Street and Hardinge Road, Ahuriri, Napier	10am – 12pm
28 August	Gisborne Bushmere Arms Hotel, 673 Matawai Road , Waerenga-a-Hika	5pm – 7pm
	<b>Opotiki</b> Opotiki Golf Club, Fromow Road, Opotiki	10am – 12pm
Thursday 29 August	Edgecumbe Awakeri Events Centre, Edgecumbe	2pm – 4pm
5	<b>Tauranga</b> Tauranga Racecourse, 1383 Cameron Rd, Greerton	6pm – 8pm
Friday	<b>Te Puke</b> The Orchard, 20 Macloughlin Drive, Te Puke	10am – 12pm
30 August	Katikati Katikati Rugby Club, Moore Park, Fairview Road, Katikati	3pm – 5pm

# Deferred licence repayments due end of August

Zespri will send out a statement to all growers who previously took a deferred payment option. A copy of the original invoice was sent at the time of the licence issue and was included in the licence pack.

#### Mt Maunganui 3149

Ref: (write on back of the cheque your customer number found on your statement)

Ref: (write on back of the cheque the invoice number found on your statement)

To ensure payments are applied to the correct accounts, it's extremely important that the customer number and invoice number on your statement are included as payment reference

# Ensure the future of your orchard: pre-harvest forums

Zespri's Pre-harvest Assurance Team is running forums to coincide with the release of the 2019/20 Grower Manual including the Crop Protection Standard.

All growers and orchard personnel (including contractors, advisors, managers and agrichemical retailers) are encouraged to attend the forums, which will run in the first two weeks of September. Hosted by the Zespri Pre-harvest Assurance Team, the meeting agenda will focus on understanding your responsibilities as a grower, sustainability and meeting on-orchard compliance requirements while achieving maximum returns from your business.

#### Specifically, we'll cover:

- · A review of the previous season
- Key changes to the Crop Protection Standard
- · Environmental sustainability
- · GLOBALG.A.P: What's on the horizon
- · New food safety compliance: The Food Act (2014).

Date	Venue	Time
Week 1		
Monday	Edgecumbe Awakeri Events Centre, State Highway 30	9am – 10.30am
2 September	<b>Opotiki</b> Opotiki Golf Club, Fromow Rd, Hospital Hill	1pm – 2.30pm
Tuesday	<b>Gisborne</b> Bushmere Arms, Main Road, Waerenga-a-Hika	8.30am – 10am
3 September	Hawke's Bay Station Bar, 154 Station Street, Napier	2pm – 3.30pm
Wednesday	Kerikeri Kerikeri Plant & Food, 121 Keri Downs Road	9am – 10.30am
4 September	Whangarei Distinction Whangarei Hotel & Conference Centre, 9 Riverside Drive	1pm – 2.30pm
Thursday	Katikati Katikati Baptist Church, 2 Wedgewood Street	9am – 10.30am
5 September	Tauranga Tauranga Golf Club (Trophy Lounge), Racecourse Reserve, Cameron Rd	1pm – 2.30pm
Friday 6 September	Te Puke Te Puke Sports and Recreation Club, Atuaroa Avenue	9am – 10.30am
Week 2		
Wednesday	Waikato Ruakura Campus Club, AgResearch, Ruakura Road, Claudelands, Hamilton	9am – 10.30am
11 September	Auckland Franklin Club, 7 East Street, Pukekohe	1.30pm – 3pm
Thursday 12 September	<b>Motueka</b> Top 10 Holiday Park, 10 Fearon St	9am – 10.30am
Friday 13 September	<b>Whanganui</b> Anndion Lodge, 143-145 Anzac Parade	9am – 10.30am

### Future leader events 0

The AGM debrief been running since the

Get in quick, spaces are limited!

section and return with the cheque.

#### **Payments**

Please pay by direct credit to account: Account name: ZESPRI Group Limited Bank name: ANZ Bank New Zealand Ltd Account number: 06-0101-0674071-00 Ref: (input your customer number found on your statement)

The statements will be sent out at the beginning

of August and are issued to the legal entity that

owns the licence. If you have multiple associated

KPINs with multiple licenses, then you should've

summarised into one account. The amount

showing at the bottom right hand corner in the

remittance section is the amount payable and has

a due date of 31 August 2019. If you're making the

payment by cheque please cut off the remittance

received one statement with all licence repayments

Ref: (input the invoice number found on your statement)

Or send a cheque payable to:

Zespri Group Limited PO Box 4043

details.

Non-payment of licence fees on the relevant date may result in Zespri recovering money by way of off-set from other grower payments and/ or forfeiture of the licence and forfeiture of any monies paid up to the date of default. Zespri will also charge penalty interest at the interest rate of nine percent per annum, calculated daily for any overdue monies. If there's a dispute with your statement, this will be taken into account, but vou must contact us immediately if you have a query with the amounts due. All disputes must be written or emailed to the Zespri licence team. If you haven't received a copy and believe you should have a payment due, please call Zespri Grower Support Services on 0800 155 355 or email new.cultivars@zespri.com to obtain a copy.

start of Future Leaders eight years ago, and is thoroughly enjoyed by all. This year was no different — a huge thank you must go to CEO Dan Mathieson for taking the time to speak to our members, update us on the past year and share some insight on what's to come.

2 It's the event you've all been waiting for - the date for our **quiz night** has been set so make sure your calendars are clear on the evening of 29 August. Get your team together and register your name and members via email at info@nzkgi.org.nz.

We're in the process of locking down the remaining two events for this year, so keep an eye on next month's Kiwiflier for more information.



For more information please call us on 0800 155 355 Monday to Friday 8.00 am to 5.00 pm or email us at new cultivars@zespri.com

#### REMITTANCE ADVICE

#### PAY BY CHEQUE

Zespri Group Limited PO Box 4043 3149, New Zealand Please write customer number on back of cheque

#### PAY ONLINE Zespri Group Limited ANZ Bank New Zealand Ltd

06-0101-0674071-00 Please use payment reference:

**PAYMENT DUE \$** 

Industry Supply Group (ISG) 18 July

The main agenda items to be discussed are as follows:

- Schedule 2
- Period 1

- GA10B Japan premium
- Fruit fly update

The next ISG Meeting will be held on 15 August.



# Key focuses - August



#### Winter pruning

- Understanding what you want to get out of the winter pruning job is critical for success. A good job focuses on both bud numbers and quality, and missing either of these two aspects will create problems down the track. For resources and tools to help you understand and make good decisions about winter pruning, visit the winter pruning page on Canopy
- Monitoring is an important tool how else do you know if you've got what you've asked for? Use the 'ls it worth monitoring?' calculator to work out how much you'd need to reduce costs, or increase OGR, to pay for the job. You may be surprised by how little it costs!
- Don't overdo the insurance by tying in too many extra winter buds, and have a plan to manage additional flower numbers in spring if these extras prove unnecessary
- It's easy to overfill an area and not consider it a problem, but this will result in a dense area of canopy that requires additional work in summer and potentially compromise spray coverage — so address it now. Dense areas in Hayward and Green14 canopies have been associated with flower bud infection and loss during flowering, and dark areas in SunGold canopies produce fruit with lower dry matter.

#### Management of sap flow in grafts

 Keep checking for excessive sap flow and be ready to manage it by channelling it away from the graft. A nick in the stump, or a drill hole in very large stumps, can quickly release pressure.

#### **Budbreak strategy**

 Using low-drift technology for Hydrogen Cyanamide applications is compulsory. Al nozzles used in conjunction with drift-reducing adjuvant (such as DriftStop) significantly reduce spray drift and will perform as well as

#### Scale control in organics

- Scale levels continue to be of concern. Focus on crown removal to eradicate scale habitat and improve coverage (refer to KiwiTech Bulletins N6 winter pruning, N56 leader spraying and N1 armoured scale). A winter oil may help with scale control and assist return bloom. Use water-sensitive paper to check coverage of the leaders
- An application of oil and copper tank mix for scale control and Psa control can be sprayed on Hayward and SunGold in late August. The recommendation is for a one percent Excel oil, and Nordox 75WG at 37.5g per 1001 rate. Oil should be mixed first before adding Nordox 75WG. For more information on late August oil, see the 'Need to Know on Scale Control in Organics'.

#### Crop protection

- Apply copper products at recommended winter rates — before and after pruning and again prior to budbreak. Additional applications around significant frost or wet events may also be beneficial
- Allow a week between application of budbreak enhancing sprays and copper sprays.
- Other things to look out for
- Continue to monitor for Psa and remove secondary infection promptly, especially in male vines as the sap begins to rise in August
- Check frost protection systems are working properly. Thermometers can be calibrated with an ice slurry
- Base fertiliser and compost applications should be targeted for pre-budbreak as soil temperatures begin to lift. If soils are waterlogged, delay application to prevent excessive soil compaction. Consider how much of your fertiliser is likely to run off or wash through the soil — little and often can be a better

# Starting from Scratch

The OPC team launched a new electronic newsletter this month for those growers with new orchard developments. We've recognised that the information and resources you need are different from those with conversion blocks, so Starting from Scratch is a resource specifically for you. If you're interested in receiving this monthly newsletter, please contact the OPC team directly or head to the development page on the Canopy website to find the link. Previous issues will be available on Canopy, but if you sign up now you're guaranteed to never miss an issue.

We'll still be publishing GraftCare (focusing on conversions) and KiwiTips (for established orchards), so there's something for everyone. You can sign up for any of these newsletters via the same form on Canopy.







conventional nozzles, provided sprayers are well set up. Watch the video on the sprayer set up and application page of the Canopy website for an overview

 The OPC team has developed a new Support for Safe Spraying booklet to help you navigate your way through winter and early season spraying — find it on the Canopy website.

#### Assess your budbreak enhancer

- Don't forget to do a budbreak assessment this will help you understand both the impact your budbreak spray has had and the date of natural budbreak relative to winter chilling, which is useful in future seasons to help with making spray timing decisions
- The Canopy website has a KiwiTech Bulletin, an instructional video and a recording template to show you what to do. Visit the Hydrogen Cyanamide page for these resources.

#### approach than all at once

- Winter is a good time to remove passionvine Hopper habitat (refer to KiwiTech Bulletin N59 passionvine hopper)
- Double-mulching of prunings can significantly reduce the survival of cicada eggs and nymphs.

#### Looking forward

- Order pollen for spring now if you plan to use artificial pollination. Ensure you follow the KVH protocols for movement of pollen
- Contact your beekeeper now and confirm supply of pollination hives with a pollination agreement. A pollination agreement makes your expectations clear. Ensure the agreement specifies that KVH pollination protocols are followed and hive auditing for quality (and replacement of any substandard hives) is included.

### KiwiNet ensuring industry readiness for next response



Earlier this month, KVH ran its six monthly KiwiNet workshop with around 60 people from across the kiwifruit industry attending the day's presentations.

The theme for the workshop was industry preparedness, covering knowledge and expertise about the ongoing Auckland fruit fly response, the contribution KiwiNet has made and how we can all continue to work together so that the networks input to the next response can be greater, if called upon.

Guests from the Ministry for Primary Industries (MPI) and AsureQuality (AQ) joined the workshop to provide exclusive insights into response decision-making, impacts and operational activities.

After presentations from KVH about the role of the kiwifruit industry in the response at a governance level, and Zespri about the market responses to fruit fly and industry logistics, there was a panel discussion to provide a 360-degree overview of what it's like on a response and what KiwiNet volunteers should know for next time.

The panel discussed KiwiNet members' skills and experiences (and how these could be enhanced with extra training opportunities), the types of support available from AQ and KVH before and during responses and logistics arrangements that would help future volunteers in the field.

A portion of the workshop focused on raising awareness about wider kiwifruit biosecurity initiatives, including presentations about the new on-orchard biosecurity guidelines booklet and the updated Kiwifruit's Most Unwanted list.

From here, KiwiNet members and KVH will work on improvements that can be made to the model to ensure the very best, wellprepared industry resource is always available in a major biosecurity response.

You can read more about KiwiNet in the latest June/July issue of the *Kiwifruit Journal* or visit the KVH website.



Organisations involved in the Auckland fruit fly responses helped KiwiNet learn more about what happens on the ground in a biosecurity response. Photo credit: Jamie Troughton, DScribe media.

# Annual Update 2018/19 out now

The KVH Annual Update 2018/19 has been published.

This booklet shares KVH's key activities and events over the last 12 months and profiles the kiwifruit industry's biosecurity threats. Feature articles outline our leadership in many partnerships, banding together to fight our biggest threats, as well as the importance of building better traceability systems and the



contribution of the kiwifruit industry to the Auckland fruit fly responses.

The Annual Update also contains an overview of the ongoing research and development programme we have in place to better understand and manage the biosecurity challenges the industry is facing.

Read more and view a copy at www.kvh.org.nz or email info@kvh.org.nz for a posted copy.



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



# NZKGI celebrates 25 years

NZKGI celebrated its 25th anniversary as an incorporated society at a special gathering in Tauranga on 3 July.

The evening recognised NZKGI's central role as an advocate for growers of New Zealand's kiwifruit industry. The event was attended by Minister of Agriculture Hon Damien O'Connor as well as a wide range of industry leaders including present and past NZKGI Forum members.

Both founding Chairman Hendrik Pieters and current Chairman Doug Brown spoke at the event about the challenges and successes of the industry over the last 25 years including the crisis of the Psa outbreak as well as grower solidarity around the single desk and Kiwifruit Industry Strategy Project.

NZKGI Chairman Doug Brown says, "It is an honour to Chair NZKGI not only through its 25th anniversary, but also at a time when the kiwifruit industry is booming. During this time of growth, NZKGI's role has never been so important in areas such as labour, water and the right to grow as we pave a path for the industry to meet forecast volumes. Being a primary industry, you also don't know what's coming around the corner, so NZKGI will be needed for many more years to come to advocate for New Zealand's kiwifruit growers".

The event also launched NZKGI's book *Seeds* of *Success*: The Stories of New Zealand's Kiwifruit Pioneers, which is a collection of the stories of the innovation and personalities behind some of the industry's founding members. NZKGI contracted award-winning journalist Elaine Fisher who spent almost a year creating this unique work. NZKGI also thanks the book's sponsors through which the book was able to come to fruition. Of particular mention is Platinum sponsor Zespri and Gold sponsors Fresh Carriers/Oceanic Navigation as well as the NZKGI Forum.

The Seeds of Success book is available for purchase online at www.nzkgi.org.nz



NZKGI chairman Doug Brown with Minister of Agriculture Damian O'Connor and Seeds of Success Author Elaine Fisher at NZKGI's 25th anniversary dinner in Tauranga. Photo by Jamie Troughton/Dscribe Media.



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 Brad Ririnui (021 757 843).

# **Q&A FROM THE FIELD**

#### Why have I been advised that my Gold3 orchard is receiving an audit?

Zespri has a rigorous audit programme to protect the PVR and protect grower's investment in the variety. An orchard can be selected to be audited for a myriad of reasons, for example confirmation of grafting after a Gold3 tender, licence recently been sold/purchased, changes to blocks/structures or the orchard being randomly selected to confirm that the planted area and licensed area are the same.

#### Why is it so important that I attend the Gold3 audit?

It's recommended that the grower is on-site when GPS-it is completing an audit of their licensed areas. It gives the grower an opportunity to advise the auditor/s of anything unusual relating to the blocks or structures, or in the case of newly developed areas, where future canopy growth is intended to extend to. Misunderstandings of block set ups that aren't straight forward (for example block splits or areas of overhang that may not be intended to carry any canopy) can be clarified on the orchard with the grower present and prevent inaccurate mapping results and follow-up audits. It's also an opportunity for the grower to point out anything additional they may want to include on the map such as hazards or GAP compliance related features. Growers will receive a copy of the map upon completion of the audit and are encouraged to forward them to their post-harvest facility so the most recent map can be uploaded into their spray diary.

#### Because of the recent share split, how has the per share dividend payment for the 2019 financial year been restated?

The first 2019 interim dividend of \$0.98 per share announced by the Board was declared in July 2018 and paid in August 2018 when Zespri had 118,936,547 ordinary shares on issue. These were shares issued prior to the three-for-two share split and the targeted share offer and buy-back.

The second 2019 interim dividend payment of \$0.16 per share announced by the Board was declared in October 2018 and paid in December 2018, after the targeted new shares were issued, treasury stock reissued and buy-back but prior to the three-for-two share split, resulting in 122,168,058 shares on issue at the time.

The Board announced in May 2019 an intention to pay a final dividend of \$0.17 per share after the targeted share issue, treasury stock reissued and buy-back and three-for-two share split. Concluding, Zespri has 183,252,240 shares on issue.

Though it looks like shareholders have received \$1.31 per share in dividend payments for the 2019 financial year, this now equates to \$0.92 per share at the current position of shareholdings.

•	Date of dividend payment	Cents per share	Cents per share restated for 3:2 split	Ordinary shares on issue
A	17 August 2018	0.98	0.64	118,936,547
	14 December 2018	0.16	0.11	122,168,058
	16 August 2019	0.17	0.17	183,252,240
		1.31	0.92	

For more information contact the Zespri Share Registry Officer, Rosie Sim, on 0800 155 355.

#### If I'm spraying my blocks for pests, can I also spray my shelterbelts?

Shelterbelts can house kiwifruit pests and sometimes it can be a good idea to include your shelterbelt with control sprays. If you're looking at spraying your shelters or gullies please contact Mel Walker (spraydiary@zespri.com) beforehand to ensure there's value in any spray application. If you're spraying shelterbelts, be cautious and mitigate any spray drift. When recording the spray in your spray diary, select the tick box 'outside' in the blocks section of the spray line.

# PyGanic<sup>®</sup> warning

The Manufacturer of PyGanic<sup>®</sup> Organic Insecticide has recently notified MPI and New Zealand Organic Certifying Authorities of the contamination of several batches of PyGanic<sup>®</sup>. MPI has advised that PyGanic<sup>®</sup> Organic Insecticide is not to be used from any batches available in New Zealand until this has been cleared. All Zespri organic growers have been notified, but if you have any concerns please contact the Zespri Crop Protection Team.

### Grower education seminars - registrations open

**Two-day seminar:** Thursday 7 and Friday 8 November

One-day seminar: Friday 15 November Location: Zespri office, 400 Maunganui Road

#### Two-day seminar

Designed to give a comprehensive understanding of the Zespri system, this seminar is targeted at a broad range of people from new growers and industry grower representatives through to growers who'd like to refresh their knowledge.

#### One-day seminar

This seminar is available to growers who have previously attended a two seminar, and is a great opportunity for those who want a more in-depth understanding of Zespri marketing and the Zespri payment system.

#### Key outcomes for participants

Advanced understanding of both the industry and Zespri corporate

- First-hand in-market experience of the integrated Zespri system in our key markets
- Empowerment in understanding the capability and value of the Zespri marketing system
- Engagement of a broad grower base from which ongoing key positive relationships are developed
- Understand the Zespri payment system with relation to the money flow.

#### Market trip

Phase two of the education strategy will be a short in-market experience in some of Zespri's key markets as part of the development and further education of participants. This is only available to participants who've completed both days of the two-day seminar at Zespri (this market trip is partially funded by Zespri).

If you'd like to register your interest please contact Rachel Dovaston by Wednesday 2 October by email at rachel.dovaston@ zespri.com or phone on 027 263 0624.



Participants from the 2019 grower education seminar soaking up knowledge at the Tokyo Kamigumi Port facility.

# Decision pending for new red and green varieties

The Zespri Board will make a decision on the commercialisation of new red and green varieties in December.

there is strong consumer interest but there are characteristics about the fruit that we need to be confident we can handle throughout the supply

When will we hear whether Zespri is going to commercialise the red or new green varieties that are in pre-commercial trials?

Information collected from the 2018/19 season pre-commercial sales trials and growing data is currently being compiled and assessed. While both varieties received very positive feedback, there are some challenges that remain. You can expect to hear more from us before the end of the year regarding next steps.

#### My 2019 spray diary has been submitted and completed and now I want to add sprays for the 2020 season. How do I do that?

You can add spray lines for the 2020 season now as the spray diary system has been rolled over. When entering the spray line, make sure the season is now showing as 2020. Before loading spray lines please ensure that your blocks have been updated and represent variety, size and production status for fruit being harvested in 2020. If you need any help, please contact Zespri Grower Support Services on 0800 155 355. "Zespri's mission is to deliver the world's premium kiwifruit to consumers 12 months of the year, meaning we sell only the best," Zespri CEO Dan Mathieson says.

"The fruit needs to taste great, meet consumer demand and perform well right through the supply chain and we test it vigorously to make sure it does. The hurdles are high so we need to be satisfied that the cultivars being considered meet those tests plus delivers strong returns to growers in order to progress to commercialisation.

"The red and new green varieties currently in trial have generated positive reviews from both a growing perspective and the sales trials that we have conducted this year. They taste great and chain should we decide to commercialise. We know for example that the red ripens faster than our other varieties. So the Board will consider all of those factors, from on-orchard performance through to consumer feedback and grower economics, and weigh up whether or not we proceed to commercialisation for one or both varieties.

"Work is underway at Zespri in preparation, to ensure we have the plans, policies and information for consumers and growers in place to ensure a successful launch. But it's important to reiterate that no decisions have been made, including around the commercialisation process. We will be having discussions with growers to outline our thinking and to hear feedback, including at the upcoming August Roadshows, as we undertake that process."



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

DISCLAIMER: ZESPRI GROUP LIMITED OR A SUBSIDIARY COMPANY OF ZESPRI GROUP LIMITED (ZGL) MAKES NO WARRANTY OR REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION, PHOTOGRAPHS OR OTHER PUBLISHED MATERIAL ("PUBLISHED MATERIAL") IN THIS PUBLICATION. PUBLISHED MATERIAL AUTHORED BY A PERSON OTHER THAN ZGL REFLECTS THE VIEW OF THE AUTHOR AND NOT THE VIEW OF ZGL. THE PUBLISHED MATERIAL MAY BE SUBJECT TO COPYRIGHT AND SHALL NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST OBTAINING THE WRITTEN CONSENT OF ZGL. ZGL SHALL NOT BE LIABLE TO ANY PERSON FOR LOSS, INJURY OR DAMAGES ARISING FROM THAT PERSON'S RELIANCE ON THE PUBLISHED MATERIAL. ©2019 ZESPRI GROUP LIMITED.