



30 August 2019	ISSUE	#405
From the markets		PAGE 2
SLA quarterly report		PAGE 9
Grower golf day		PAGE 12

August 2019/20 forecast and market commentary

Zespri has published its August forecast for the 2019/20 season, following the meeting of the Zespri Board on 20 August. This is the first forecast of the season.

The Green return is forecast at \$6.26 per tray, compared with the June forecast range of \$5.50 to \$6.50. The average per hectare return is forecast at \$63.125.

Organic Green is forecast at \$9.31 per tray, compared with the June range of \$8.30 to \$9.30, with an average per hectare return of \$60.626

The Gold return is forecast at \$11.15 per tray, compared with the June range of \$10.20 to \$11.20. The average per hectare return for Gold is \$152,286.

The Green14 forecast return is \$7.55 per tray, compared with the June range of \$6.80 to \$7.80, and the return per hectare is \$42,945.

The total fruit and service payment, across all pools and excluding the loyalty premium, is currently forecast at \$1,853.2 million.

Zespri CEO Dan Mathieson says that the markets have already delivered considerably more fruit than this time last year and remain on track for a good finish.

"All of our major markets are performing well, with our marketing teams continuing to work hard to manage the challenge of the increased volume of smaller fruit.

"SunGold is again performing strongly, while as expected Green run rates have dipped during the peak Northern Hemisphere summerfruit season when there's a wider range of fruit types available at cheaper prices. We expect Green sales to increase again in the coming weeks as the summerfruit moves out of the market and our focus remains on lifting value for growers and finishing the season strongly."

Forecast corporate profit range

The forecast range of corporate net profit after tax for the year ending 31 March 2020 is \$182 million to \$190 million, including licence release income. The forecast dividend per share range for the year ending 31 March 2020 is \$0.86 to \$0.90 per share. This range is inclusive of dividends relating to 2019 licence release income.

AUGUST 2019/20 FORECAST	MARCH 2018/19 FINAL
\$63,125 per ha	\$63,622 per ha
\$6.26 per tray	\$5.45 per tray
\$60,626 per ha	\$73,350 per ha
\$9.31 per tray	\$9.22 per tray
\$152,286 per ha	\$145,991 per ha
\$11.15 per tray	\$10.89 per tray
\$42,945 per ha	\$44,549 per ha
\$7.55 per tray	\$7.23 per tray
	\$63,125 per ha \$6.26 per tray \$60,626 per ha \$9.31 per tray \$152,286 per ha \$11.15 per tray \$42,945 per ha





- SAVE THE DATE!

We've been making great progress with plans for our Momentum 2020 conference and are excited to announce our theme — Standing Up and Standing Out.

This reflects the need for the kiwifruit industry to continue to demonstrate its leadership, including by addressing some of the challenges we're seeing like reducing our use of plastics and ensuring our industry continues to look after its people, communities and the environment. It also acknowledges that we need to be standing

out for the right reasons so that we stay ahead of the competition and maintain our brand identity as the world's leading provider of premium quality kiwifruit. Registrations for the conference will open in the next month, so mark the dates in your calendar and keep an eye out for more details coming soon.

Fight against Psa recognised with 2019 Innovation Award

New Zealand scientist Dr Philip Elmer has won the kiwifruit industry's top innovation award for his contribution to the fight against diseases and the industry's efforts to become more sustainable.

Dr Elmer, a senior scientist at Crown Research Institute Plant & Food Research, was awarded the Sir Brian Elwood Award at Zespri's annual Harvest Dinner, for leading the team which developed the organic-certified biological control agent Aureo®Gold which is being used in the fight against Psa.

"Aureo®Gold was developed during a time of real hardship as most of New Zealand's 2,600

kiwifruit growers were forced to cut out all or some of their vines because of Psa, with many pushed to the financial brink," Zespri Chair Bruce Cameron says.

"The industry needed hope and Dr Elmer and his team played an important part in that, leading the effort to find a new way of controlling the disease which was safe, bee friendly and did not affect the quality of canopy and the fruit."



New Zealand scientist Dr Philip Elmer with KNZ Chair Kristy McDonald QC.

2 kiwiflier #405 30 August 2019

From the markets

Relaium

As part of an innovative PR campaign, the Belgium team organised an event to petition for a gold kiwifruit emoji. A Zespri SunGold fan

Zerperi, Manifordi, Paris Visioni Galling Company Comp

launched the petition, and the Belgium team sent out a press release to news and lifestyle media which garnered some great coverage.



From 1 to 7 August, the ZGS Korea team ran intensive field days in five regions across in Jeju island and one on the mainland. The field days covered both establishing and producing orchards, and topics such as summer canopy management and girdling.

There was a great turnout across the five regions and excellent discussion with growers.

The ZGS Korea team also made a trip to mainland Korea to present a seminar to local growers on Psa prevention with a focus on orchard hygiene practices.

Viet Nam

Zespri Kiwifruit will be featured in 25 episodes of a new TV show airing from August to September on Ho Chi Minh City's Television channel HTV7 (the most watched channel in the south of Vietnam). Each episode will include guest celebrities talking about health and clean eating and will be broadcast just before lunch, which is high TV viewership time for Vietnamese mums.



France

The France team kicked off its 2019 breakfast activation campaign called 'Morning Boost' with a bang recently. For every seven kiwifruit purchased, consumers went in the draw to win a personalised mug illustrated by Coucou Suzette and a recipe book with seven breakfast recipes



MORNING Boost featuring Zespri Kiwifruit. More than 4,500 mugs were won by happy consumers, and more than 180 Facebook posts (featuring the campaign hashtag) with images of the mugs alongside kiwifruit were shared online.



Mallor

Zespri took part in the Copa del Rey sailing championship in Mallorca, providing participants and visitors with 30,000 samples of Zespri Kiwifruit.

The royal family also attended the championship and for the first time at this event, took the opportunity to walk through the stands. Queen Letizia and Princesses Leonor and Sofía stopped in front of Zespri's stand to chat with the hostesses about the product.

The Queen declared that the royal family eat Zespri Kiwifruit daily, "especially the yellow one". This was captured by national media who have reported on the heavy consumption of Zespri Kiwifruit by the royal family, gaining excellent coverage for our brand.



Germany

In August, Zespri went to the 20th edition of the world's largest beach volleyball tournament at Karlshagen beach on the German island of Usedom.

This mega event has been in the Guinness Book of World Records since 2008 and there were an estimated 35,000 visitors this year. More than 47,000 social media users captured the action of 1,400 players (playing on 90 courts) from Germany, Poland, Spain, Switzerland, the Netherlands, South Africa, Hong Kong, Argentina and the USA.

The Usedom-Beachcup offered a range of innovative and contemporary highlights under the motto "WE GO GREEN!" The Beachcup is the first major event of its kind to be conducted entirely on the basis of high environmental standards and sustainability. And right next to centre stage Zespri served up delicious mocktails, helping to use some of the 45,000 recycled cups. Over 5,000 refreshing Zespri Green and SunGold Kiwifruit were sold and enjoyed at the event.



Myanmar

For the first time ever, Zespri Kiwifruit sampling sessions were held in Myanmar recently. There were 21 sampling sessions across seven key CityMart supermarkets in Yangon city over a two week period, utilising marketing materials designed in Singapore and Thailand for cost efficiency.

Myanmar is an emerging South East Asian collaborative market in which Zespri's sales are operated in partnership with Turners & Growers Global. Myanmar may be one of Zespri's smaller markets but it's been achieving positive growth, with record sales already reached and year-to-date sales up 46 percent compared to last season.



30 August 2019 kiwiflier #405 3\mathbb{\bar{B}}





ZESPRI IN THE COMMUNITY

Women of Influence speaker series

We recently held the inaugural Women of Influence speaker series event for Tauranga at Zespri. Around 150 guests enjoyed inspiring talks from Sophie Pascoe (paralympian swimmer), Rikki Swannell (sports broadcaster), Jen Scoular (CEO, New Zealand Avocado) and MC Paula Penfold, with our own Carol Ward introducing the event. Attendees said the speakers were open, honest and generous in sharing their personal inspirations. Hosting this event was part of our wider sponsorship of the Rural Award at the Women of Influence Awards (which we're in the third year of sponsoring), a category recognising women who are driving the future of New Zealand's horticultural and agricultural sectors. As part of our sponsorship, we were also able to send a few lucky members of the wider Women in Kiwifruit network complimentary tickets to other speaker series around the country, including Nelson, Wellington and Auckland.



Our office was used to celebrate Women of Influence this month.

60th Kiwifruit Anniversary celebration

2019 marks 60 years of the word 'kiwifruit' and the team at EPIC Te Puke and Creative Te Puke put on an evening of entertainment to recognise the momentous occasion. The 60th Kiwifruit Anniversary event recognised that it's been 60 years since our great little fruit adopted the name 'kiwifruit' and it celebrated local talent with contestants competing for the coveted title of Kiwifruit Ambassador. Zespri Director Tony Hawken spoke about our industry and wider community involvement, and offered a few pearls of wisdom to contestants. A big congratulations to all involved and those who competed, including Awatea Waaka who was crowned Kiwifruit Ambassador 2019!



Tony Hawken with Rachel Lynch and Hiraina Tangiora at the awards.

University of Waikato (Tauranga campus) careers expo

Zespri headed along to the brand new University of Waikato -Tauranga campus earlier in the month and spoke with students about career opportunities in our growing and dynamic industry. We had students from all disciplines visiting our stand who were all more than happy to try some of our delicious kiwifruit - a well received touch for those on student budgets and a great vitamin C boost.



Jack Christianson and Hiraina Tangiora manning the Zespri stand with

New Zealand Rural Leaders alumni function

We've partnered with the New Zealand Rural Leaders Trust for many years now and recently hosted its Tauranga alumni event, recognising two local scholars of the Nuffield and Kellogg rural leadership programmes. Nuffield scholar and kiwifruit grower Simon Cook spoke to the 40 attendees about his report on 'Global insights: biosecurity, from the border to the farm gate'. Michelle Stevens, a recent Kellogg scholar, spoke to the alumni network about her report on mental health and wellbeing in the rural sector. Both speakers provided great insights into what the research process entailed and their experiences of the programmes overall. Part of our sponsorship of the New Zealand Rural Leaders Trust allows us to provide one paid scholarship to someone from our industry, so keep an eye out in Kiwiflier early next year for more information.

Kiwi leaders' discovery tour

We recently hosted the Kiwi leaders' discovery tour, providing them with an insight into Zespri and how we fit into the wider industry. The group includes 30 people from all over the Bay of Plenty workforce and education sectors. The group was extremely engaged, having visited Plant & Food Research and Seeka before arriving at Zespri, and asked a bunch of great questions.



It was great to hear from the Kiwi leaders' tour when we hosted them

A scholar's experience

Alex Tomkins, a Zespri scholar who worked on Jeff and Shirley Roderick's orchard last summer, recently visited Europe and Asia on the inaugural International Horticultural Immersion Programme (IHIP) along with other students studying horticulture from Massev and Lincoln Universities. Here's Alex's recount of what sounds like an amazing experience:

"I spent three months working on Jeff Roderick's organic kiwifruit orchard over the summer as part of my university practical work experience. It gave me a strong overview of kiwifruit production and I learned that understanding the Zespri consumer starts at the production stage in order to produce high quality fruit for export markets. I also saw how Zespri and growers engage and I learned about the production side of the industry. Applying this practical knowledge with what I saw of the European and Korean value chain on IHIP gave me a greater understanding of how Zespri is the world's leading marketer of kiwifruit.

"In Europe, we were exposed to the advanced mechanisation and huge scale of horticulture, particularly leading glasshouse technology. We also saw how Europe has a strong commitment to innovation, collaboration and sustainability within the industry and between competitors. A key insight was that New Zealand tends to be more risk averse to innovation compared to Europe - which is a barrier for future productivity and an area where more investment is needed. We also stopped by Zespri's Antwerp office and met some of the European team.

"Whilst in South Korea, we saw the political aspect of international business with presentations from the New Zealand Embassy, NZTE, and MFAT. We learned about the importance of the New Zealand-Korea FTA in relation to New Zealand horticulture and Korea as a market. We were also fortunate to get a full day excursion with Zespri Korea around Seoul which allowed us to see the whole Korean supply chain from distribution, re-pack, retail, marketing, and customer insight.

"The IHIP trip gave me a new perspective on global horticulture and New Zealand's position as leading fruit producers, in particular premium kiwifruit. The trip has made me even more passionate about a future career in the New Zealand horticulture and kiwifruit industry."





Her trip included looking at kiwifruit production.

₹4 *kiwiflier* ***405** 30 August 2019

2019/20 Season Return Analysis

Class 1 - Approved Progress Payment 13 September 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	\$0.27	\$0.05	\$0.05	\$0.40	\$0.30	\$0.30	\$0.05
Zespri Gold3 & Organic Gold3	\$0.48	\$0.25	\$0.50	\$0.60	\$0.60	No payment	No supply
Zespri Green14	\$1.16	\$0.80	\$0.90	\$1.50	\$1.10	\$1.10	\$1.10

Class 1 - Indicative Progress Payment 15 October 2019	Average on Net Submit	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.03	\$0.05	\$0.05	\$0.05	No payment	No payment	No payment
Zespri Organic Green	\$0.48	\$0.70	\$0.70	\$0.60	\$0.50	\$0.50	\$0.10
Zespri Gold3 & Organic Gold3	\$0.21	\$0.30	\$0.30	\$0.15	\$0.15	\$0.05	No supply
Zespri Green14	\$0.43	\$0.30	\$0.45	\$0.60	\$0.40	\$0.40	\$0.40

Notes

 Progress payments for Class 1 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 13 September 2019	Average on Net Submit	16/18/22	27	30	33	36	39	42
Class 2 Green	\$1.41	\$1.50	\$1.50	\$1.50	\$1.60	\$1.40	\$1.10	\$0.10
Class 2 Organic Green	\$2.63	\$3.20	\$3.20	\$3.10	\$3.00	\$2.50	\$1.80	\$0.80
Class 2 Gold3	\$2.48	\$3.00	\$2.80	\$2.30	\$2.20	\$1.80	\$1.50	\$1.50
Class 2 Organic Gold3	\$5.66	\$5.50	\$5.50	\$5.50	\$6.00	\$6.00	\$5.80	\$4.80

loss trays.

\$5.50	\$6.00	\$6.00	\$5.80	\$4.80				
Loaded	out trove -	- Not Sub	mittad trav	o at voor				
Loaded out trays = Net Submitted trays at year								
ena = gr	end = gross submitted trays less onshore fruit							

Non-Standard Supply - Approved Progress Payment 13 September 2019	42	46
Zespri Green		\$4.20
Zespri Organic Green		\$2.00
Zespri Gold3	\$0.10	
Zespri Organic Gold3	\$0.10	

Note – Green and Green Organic NSS Progress Payments are higher than those for Gold3 and Gold3 Organic due to the fact that the Green NSS varieties do not receive Taste Zespri payments but the Gold3 varieties do.

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.

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.

September 2019 approved progress payments on Net Submit trays

Approved per tray progress payments for 13 September 2019:

Class 1	
Zespri Green	\$0.05
Zespri Organic Green	\$0.27
Zespri Gold3 & Organic Gold3	\$0.48
Green14	\$1.16

October 2019 indicative progress payments on Net Submit trays

Indicative per tray progress payments for 15 October 2019:

Class 1	
Zespri Green	\$0.03
Zespri Organic Green	\$0.48
Zespri Gold3 & Organic Gold3	\$0.21
Green14	\$0.43

Orchard Gate Return

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

SHARE BRIEFS

1. Progress payments for Class 2 and Non Standard

Supply fruit are paid on loaded out travs.

As at 22 August 2019 the last Zespri share price trade was \$7.94 traded on 22 August 2019. There were five buyers at \$7.90, \$7.87, \$7.71, \$7.61 and \$7.58. There were two sellers at \$7.97 and \$8.00.

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



*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.

Below is the current Market Depth information as at 22 August 2019.

Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	7.900	7.970	7.940	7.940	7.870	5,270

Market Depth					
	BIDS			OFFERS	
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	2,995	7.900	7.970	2,000	1
1	5,450	7.870	8.000	2,000	1
1	14,500	7.710			
1	2,000	7.610			
1	2,000	7.580			

Last 10 Trades							
Date/Time	Quantity	Price (\$)	Value (\$)				
22/07/19	2,000	\$7.94	15,880.000				
22/07/19	2,000	\$7.90	15,800.000				
22/07/19	1,270	\$7.87	9,994.900				
20/08/19	730	\$7.87	5,745.100				
20/08/19	2,000	\$7.84	15,680.000				
20/08/19	2,000	\$7.80	15,600.000				
20/08/19	2,000	\$7.76	15,520.000				
19/08/19	500	\$7.71	3,855.000				
19/08/19	1,500	\$7.71	11,565.000				
1/08/19	2.000	\$8.50	17.000.000				

Director share trading

For the month of August (as at 22 August), there were 25,000 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 *Kiwiflier* is finalised for publication, there may be some trades associated with director entities which have been matched and transacted, but the paperwork has not yet been received by Zespri or Computershare. As such, there may be some lags in reporting trading by entities associated with directors. Zespri will however ensure that as at the end of each month, the Director Share Holdings and Transfers document on the Zespri Canopy will always provide the most up to date information held by Zespri.

30 August 2019 *kiwiflier* #**405** 5 🖁

2019/20 Season Taste Zespri Payments

2019/20 Season Final Taste Zespri Payments	Zespri Green	Zespri Organic Green	Zespri Green14	Zespri Gold3 and Organic Gold3	Gold3 size 42 (NSS)	Gold3 Organic size 42 (NSS)
- based on August 2019 forecast	\$ per TE	\$ per TE	\$ per TE	\$ per TE	\$ per TE	\$ per TE
Interim August 2019 forecast fruit payment	\$4.09	\$5.56	\$6.48	\$5.73	\$4.49	\$5.61
Plus August 2019 taste payments	\$3.55	\$4.60	\$3.22	\$7.39	\$3.78	\$6.63
August 2019 forecast fruit payments including taste	\$7.63	\$10.16	\$9.70	\$13.12	\$8.27	\$12.24
Percentage payable as Taste Zespri	60%	60%	60%	70%	70%	70%
Maximum taste payment per tray	\$4.58	\$6.10	\$5.82	\$9.19	\$5.79	\$8.57
2019/20 average TZG	0.77	0.75	0.55	0.80	0.65	0.77
Average Taste Zespri payment per tray 2019/20 Season	\$3.55	\$4.60	\$3.22	\$7.39	\$3.78	\$6.63
Payment Schedule:						
15 July 2019 (based on December 2018 forecast)	30%	30%	30%	30%	30%	30%
15 August 2019 (based on December 2018 forecast)	30%	30%	30%	30%	30%	30%
13 September 2019 (based on August 2019 forecast)	20%	20%	20%	20%	20%	20%
15 November 2019 (based on August 2019 forecast)	20%	20%	20%	20%	20%	20%

Notes

1. Interim August forecast used in the calculation of final MTP and Taste payments is before the final Time and KiwiStart rates are updated in the forecast model.

2. Amounts above are not rounded to two decimal places, therefore rounding differences may apply.

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.
- Average payments per TE are based on the 2019/20 August forecast trays and actual payments to date.

 Average payments for Pack and Time may may from provious Kinglifers due to SLAs being poid late.

· Progress will be paid in the remaining months at levels subject to Zespri Management approval.

• YTD amounts for Pack and Time may move from previous *Kiwifliers* due to SLAs being paid late in a month.

Zespri Green AUGUST								
Green ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / TE Supplied	% of Pool Paid YTD
Apr-19	\$2.25	\$0.03					\$2.28	23%
May-19		\$0.10					\$2.38	24%
Jun-19		\$0.09					\$2.47	25%
Jul-19		\$0.04		\$0.40	\$0.74		\$3.65	37%
Aug-19		\$0.16	\$0.22	\$0.65	\$0.05		\$4.73	48%
Sep-19		•	•	•	\$0.05		•	•
Oct-19		•	•	•	\$0.02		•	•
Nov-19		•	•	•	•		•	•
Dec-19		•	•	•	•		•	92%
Jan-20			•			\$0.10	•	•
Feb-20					•		•	•
Mar-20					•		•	97%
Apr-20					•		•	•
May-20					•		•	•
Jun-20						\$0.15	•	100%
Paid YTD	\$2.25	\$0.42	\$0.22	\$1.05	\$0.78	\$0.00	\$4.73	
Balance to pay	\$0.00	\$1.09	\$0.39	\$2.50	\$0.94	\$0.25	\$5.16	
		Tot	al fruit and s	ervice paym	nents - 2019/	20 forecast	\$9.89	

	Total flat and service payments - 2010/20 foredast - 40.00							
Zespri Organio AUGUST	c Green							
Pespei organic Green ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / TE Supplied	% of Pool Paid YTD
Apr-19 May-19 Jun-19 Jul-19 Aug-19	\$2.25	\$0.00 \$0.02 \$0.03 \$0.03 \$0.07	\$0.48	\$0.69 \$1.00	\$0.52 \$0.39		\$2.25 \$2.27 \$2.30 \$3.55 \$5.49	18% 18% 19% 29% 45%
Sep-19 Oct-19 Nov-19	• • • • • • • • • • •	•	•	•	\$0.27 \$0.48	•	•	•
Dec-19 Jan-20		•	•	•	•	\$0.10	•	89%
Feb-20 Mar-20 Apr-20					•		•	97%
May-20 Jun-20					•	\$0.15	•	100%
Paid YTD Balance to pay	\$2.25 \$0.00	\$0.15 \$0.74	\$0.48 \$0.61	\$1.69 \$2.91	\$0.92 \$2.28	\$0.00 \$0.25	\$5.49 \$6.79	

Zespri Gold3 a	and Orga	nic Gold3	;						
Suncold Something ISO Month	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / TE Supplied	% of Pool Paid YTD
Apr-19	\$2.80	\$0.14						\$2.94	19%
May-19		\$0.13						\$3.07	20%
Jun-19		\$0.19						\$3.26	21%
Jul-19		\$0.09		\$1.34	\$0.49			\$5.18	33%
Aug-19	• • • • • • • • • • • • • • • • • • • •	\$0.25	\$0.35	\$1.96	\$0.08	\$0.02	• • • • • • • • • • • • • • • • • • • •	\$7.84	50%
Sep-19		•	•	•	\$0.48			•	•
Oct-19		•	•	•	\$0.21			•	•
Nov-19		•	•	•	•	•		•	•
Dec-19		•	•	•	•			•	92%
Jan-20			•				\$0.10	•	•
Feb-20					•			•	•
Mar-20					•	•		•	98%
Apr-20					•			•	•
May-20					•			•	•
Jun-20							\$0.15	•	100%
Paid YTD	\$2.80	\$0.79	\$0.35	\$3.30	\$0.57	\$0.02	\$0.00	\$7.84	
Balance to pay	\$0.00	\$0.77	\$0.42	\$4.08	\$2.33	\$0.01	\$0.25	\$7.86	
			Total fr	uit and ser	vice payme	ents - 2019/2	20 forecast	\$15.70	

Zespri Green1	14							
Zespri Sust Green Sust Green Wonth	Submit	Pack and Time	KiwiStart Accountability	Taste Zespri	Progress	Loyalty Premium	Total payment / TE Supplied	% of Pool Paid YTD
Apr-19	\$2.80						\$2.80	26%
May-19		\$0.00					\$2.80	26%
Jun-19							\$2.80	26%
Jul-19				\$0.92	\$0.51		\$4.23	40%
Aug-19		• • • • • • • • • • • • • • • • • • • •	\$0.38	\$0.92	\$0.24	• • • • • • • • • • • • • • • • • • • •	\$5.78	54%
Sep-19			•	•	\$1.16		•	•
Oct-19			•	•	\$0.43		•	•
Nov-19			•	•	•		•	•
Dec-19			•		•		•	93%
Jan-20			•			\$0.10	•	•
Feb-20					•		•	•
Mar-20					•		•	97%
Apr-20					•		•	•
May-20					•		•	•
Jun-20						\$0.15	•	100%
Paid YTD	\$2.80	\$0.00	\$0.38	\$1.85	\$0.75	\$0.00	\$5.78	
Balance to pay	\$0.00	\$0.00	\$0.33	\$1.37	\$2.94	\$0.25	\$4.88	
		1	otal fruit and	l service pay	ments - 2019	/20 forecast	\$10.66	

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

Total fruit and service payments - 2019/20 forecast \$12.28

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

₹6 *kiwiflier* ***405** 30 August 2019

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

	2019/20 - August forecast						2018/19 - Actual				
Full Year Return	Zespri Green	Zespri Organic Green	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools	Zespri Green	Zespri Organic Green	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools	
Total forecast:											
Total trays supplied (m)	68.3	2.8	73.6	0.4	147.7	81.0	3.5	66.0	0.9	154.1	
Kilograms supplied (m)	240.1	9.8	258.1	1.4	517.8	284.8	12.4	230.2	3.1	538.1	
Average size per tray	32.8	36.0	29.5	37.3		30.6	33.3	27.3	35.4		
Fruit payments (\$m)	271.3	15.3	421.6	2.6	727.3	332.1	23.7	473.6	5.8	851.9	
Fruit incentives (\$m)	284.1	16.0	600.3	1.5	904.9	244.2	14.4	416.5	3.0	679.3	
Service costs (\$m)	103.3	2.5	114.6	(0.0)	221.0	135.5	3.5	104.6	0.1	244.1	
Fruit and service payments excl. loyalty premium (\$m)	658.7	33.8	1,136.4	4.1	1,853.2	711.8	41.7	994.7	8.9	1,775.4	
Total forecast per tray (\$):											
Submit payment	2.25	2.25	2.80	2.80		2.25	2.25	2.80	2.80		
Progress payments (including GOLD ORGANIC Premium)	1.72	3.20	2.93	3.69		1.85	4.49	4.37	3.73		
Total fruit payments per net submit trays	3.97	5.45	5.73	6.49		4.10	6.74	7.17	6.53		
KiwiStart ¹	0.52	1.07	0.70	0.75		0.39	0.76	0.47	0.69		
Taste Zespri	3.55	4.60	7.39	3.22		2.53	3.34	5.77	2.76		
Supplier Accountability	0.09	0.02	0.07	-0.04		0.09	-0.01	0.07	-0.07		
Fruit incentives	4.16	5.69	8.16	3.92		3.01	4.10	6.31	3.37		
Pack type	0.56	0.12	0.76	0.00		0.47	0.18	0.71	0.12		
Time payment	0.96	0.77	0.80	0.00		1.20	0.81	0.88	0.00		
Service costs	1.51	0.89	1.56	0.00		1.67	1.00	1.58	0.12		
Class 1 forecast fruit and service payments per net submit trays	9.64	12.03	15.45	10.41		8.78	11.83	15.07	10.03		
Loyalty premium	0.25	0.25	0.25	0.25		0.31	0.31	0.31	0.31		
Class 1 fruit and service payments with loyalty per net submit trays	9.89	12.28	15.70	10.66		9.09	12.14	15.37	10.34		
Less: onshore fruit loss	-0.20	-0.15	-0.27	-0.03		-0.27	-0.15	-0.21	-0.02		
Fruit loss percentage ²	2.00%	1.25%	1.74%	0.30%		2.98%	1.21%	1.39%	0.16%		
Class 1 fruit and service payments per gross submit trays	9.69	12.13	15.43	10.63		8.82	11.99	15.16	10.32		
Plus Class 2 return	0.11	0.23	0.08	0.13		0.13	0.26	0.09	0.11		
Plus non-standard supply (NSS) ³	0.01	0.02	0.03	0.01		0.01	0.02	0.04	0.01		
Plus other income (non dividend) ⁴	0.01	0.00	0.01	0.02		0.01	0.01	0.01	0.01		
Average revenue per gross submit trays	9.81	12.38	15.55	10.78		8.97	12.27	15.30	10.45		
LESS: post-harvest costs deducted ⁵											
Base packing and packaging	-1.47	-1.58	-2.22	-2.22		-1.46	-1.52	-2.21	-2.10		
Pack differential	-0.55	-0.12	-0.74	0.00		-0.46	-0.18	-0.70	-0.12		
Base cool storage	-0.84	-0.83	-0.85	-0.86		-0.82	-0.83	-0.84	-0.84		
Logistics	-0.14	-0.15	-0.15	-0.15		-0.13	-0.16	-0.14	-0.15		
Time and CC/RK charges	-0.56	-0.39	-0.43	0.00		-0.64	-0.38	-0.52	-0.01		
Total post-harvest costs per gross submit trays	-3.55	-3.06	-4.39	-3.23		-3.52	-3.06	-4.41	-3.22		
OGR per gross submit trays	6.26	9.31	11.15	7.55		5.45	9.22	10.89	7.23		
Average industry yield per productive hectare ⁶	10,081	6,511	13,652	5,685		11,668	7,959	13,401	6,159		
Number of productive hectares ⁷	6,915	437	5,483	70		7,158	448	4,996	145		
OGR per hectare	\$63,125	\$60,626	\$152,286	\$42,945		\$63,622	\$73,350	\$145,991	\$44,549		
Average kilogram per tray ⁸	3.51	3.47	3.51	3.44		3.52	3.51	3.49	3.49		
OGR per kilogram	1.78	2.68	3.18	2.19		1.55	2.62	3.13	2.07		

Notes:

- 1. KiwiStart includes Priority Premium payments. These are period one related payments that apply to fruit shipped in the applicable weeks and vessels.
- 2. Fruit loss percentage includes ungraded fruit inventory losses.
- 3. Zespri does not procure NSS in all categories, returns are as reported in the Ingham Mora postharvest survey.
- 4. Other Income may include any Service Level Agreement payments, Class 3 income and interest.
- 5. Post-harvest cost data was compiled by Ingham Mora Limited in July 2019.
- 6. The average industry yield per hectare equals Class 1 volumes submitted divided by productive hectares. Average yield levels are calculated based on current volume data incorporating the actual FOBS data with actual onshore fruit loss percentages. The OGR may be distorted by the inclusion of orchards in the first years of production in the calculation.
- 7. Productive hectare information is sourced from the Grower Services database and includes all hectares described by growers as producing vines.
- 8. Average kilograms per tray are derived using the individual size conversions published in the specific season's Pack Conversion Guide.

30 August 2019 *kiwiflier* #405 7\(\big| \)

2019/20 Season Grower Payment Portions - Total Fruit and Service Payments

2019/20 August forecast

Zespri Green Supplier Accountability 1% Pack: 6% Time: 10% KiwiStart: 5% - Taste: 37%

Fruit Payment: 41%







SUSTAINABILITY AND INNOVATION

We want your views on water and climate change

Two of the environmental priorities in our sustainability framework are water and climate change. To help us better understand these and the impacts they have on our industry now and in the future, we would like to hear your views. We have two opportunities for you to share your thoughts, outlined below.



climate change

4.30pm

1. Growers invited to share views on

We're already experiencing changes to our

over the coming decades which may include

severe weather events, water shortages and

changes to disease risk. We're keen to hear

for them on-orchard and how we can make

sure we're prepared as an industry.

Date: Friday, 6 September

what growers think climate change will mean

Zespri is holding two focus group sessions in

which growers are invited to share their views:

Times: 9am to 12 noon and 1.30pm to

Location: Club Mount Maunganui, 45

climate and we'll likely see more impacts



there are limited spaces and we will advise successful registrations.

Growers help needed to better understandard to be successful registrations.

Growers help needed to better understand nitrogen and water use on orchards

Growers interested in participating are asked to email their name, region, orchard size(s) and cultivar(s) grown to info@nzkgi.org.nz —

Zespri and NZKGI have been working with the industry to develop an industry water strategy which looks at how we can collaboratively protect and enhance water resources for our people, our environment and our communities, while enabling industry growth. An objective is to build better understanding of nitrogen and water use on orchards. To help achieve this, growers are invited to complete an online survey which can be found on the Canopy, in OPC's KiwiTips and NZKGI's Weekly Update.

Growers can also access the surveys (there's one for an established orchard and one for a developing orchard) by scanning these QR codes.

For more information, please contact Jayson Benge via email at Jayson.Benge@zespri.com or via phone on 027 258 0770.







Established orchards.

Health and safety forum

Date: 14 October

Time: 9-11am, followed by morning tea and networking

Location: Trustpower Arena, suites 1-2

The health and safety industry forum is proud to present three fantastic presenters who'll share their stories and knowledge around orchard health and safety. Lock Monday 14 October in your diary for an insightful event where you can expect to learn more about NZTA's road safety programme, vehicle safety and the potential impact of serious events on your property.

Tom Pinckney from Northburn Station will share

his experience following a 2014 event where a burn-off went tragically wrong. Dave Moore from AUT will share his knowledge and experience in a practical review of vehicles for orchard applications and discuss how the industry can improve in this area, while Paul Graham from NZTA will touch on road safety and driver behaviour (particularly driver fatigue).

After the event, you're invited to join health and safety forum members for a discussion over morning tea.

To register, please visit www.zesprievents.co.nz/ HealthSafetyForum.



Kiwi2019 post-conference highlights

Kiwi2019 was a two-day conference where Plant & Food Research (PFR) and Zespri came together to discuss science and innovation.

Highlights from this year's sold out event include an update of Zespri's sustainability framework and an address from Carol Ward (Zespri's Chief Sustainability and Innovation Officer) and Gavin Ross' speech (PFR's Group General Manager Marketing and Innovation) on innovation and the role it plays in the future success of not only the kiwifruit industry but the planet. There was also a fantastic collection of videos featuring New Zealand kiwifruit growers discussing how the joint research from Zespri and PFR is benefiting them both now and how they think it will in the future.

Survey on Zespri Enforceable Undertaking

In October 2017, Worksafe accepted an Enforceable Undertaking from Zespri following the tragic death of an industry worker in a quad bike incident in 2016. Zespri committed to investing \$250,000 in the improvement of health and safety for employees, the industry and the public. We now want to better understand the impact this work has had and would like industry participants to complete an online survey to help gauge the impact. To participate in the survey, please scan this QR code using the camera on your mobile phone.





2019 <u>8</u>8 *kiwiflier* *405

Why is it so important that all Gold3 licence holders help protect their own investment?

The industry has invested significantly in PVR licences and it's important that Zespri and growers continue to protect the investment in licensed varieties. Licence releases from Zespri are performed in line with market signals and supply and demand forecasts from our markets which are reviewed annually.

Overplanting at an individual KPIN level can seem insignificant to growers, but on an industry level, additional hectares outside the existing 7,400 licensed hectares can quickly amount to significant levels. With the recent increase in Gold3 licence prices and high returns, it's crucial that Zespri continues to protect growers' investments in the variety and identify over-planters. Zespri will continue to take a hard-line approach towards these infringers.

Zespri understands that in some cases, overplanting is minor and unintentional, however it's clear in other cases that growers have deliberately or recklessly exceeded their licensed area. It's important for growers to understand Zespri doesn't have a "minimum area" under which they won't pursue unauthorised plantings.

Zespri requires strict adherence to the licence terms and conditions and the consequences for overplanting are severe, to the extent of termination of any Gold3 licence and exclusion from bidding in future licence releases. This hardline is taken to protect the approximately 1,500 growers across more than 2,000 orchards - that have made the investment in Gold3 licence and subsequent orchard development since the variety was released in 2010. Growers who graft or plant without a licence, or plant in excess of their licensed area, are enjoying the rewards of the success of Gold3 without making the appropriate investment. Zespri conducts its own audit programme to ensure it's maintaining the legitimacy of the licence base and will find cases of overplanting. However, if people become aware of instances where Gold3 may have been grafted or planted without the grower having the licence, they can contact Zespri directly to confidentially relay their concerns and these will be investigated through the annual audit process.

Zespri may also take into consideration preexisting breaches of its intellectual property rights when offering new opportunities for licences or trial activities to growers.

There have been instances lately where an updated audit shows a different mapped area to a previous audit, although no structural changes have been made to the orchard. GPS mapping technology has improved significantly over the past 10 years resulting in more accurate maps. If a grower receives an audit with a change in their mapped area and they believe it's due to mapping inconsistencies then we urge them to contact the Grower Support Services Team so an analysis can be undertaken with GPS-it looking at all the historical measurements.

Growers are reminded that if they're converting or grafting an area with Gold3 it's their responsibility to practice due diligence and ensure that the licence is sufficient to cover the area intended to be grafted. If this requires the area to be GPS mapped, growers are required to do this at their own cost. GPS mapping can be done by any of Zespri's approved mapping providers found on Canopy > Growing Kiwifruit > Zespri® Variety Licences > GPS Mapping & Audits. If GPS-it has previously mapped the orchard they may be able to calculate the area to be grafted based on measurements they've previously obtained without requiring another onsite visit. There's still a cost involved with this and in some instances a visit may be required by GPS-it. Growers are urged to ring GPS-it if they wish to explore this further.

If Zespri becomes aware of any overplanting we may conduct a site visit and/or may designate that orchard to be re-visited by a mapping provider at a later date for a random audit.

If you have any doubt about what your licensed area is compared to your planted area (for example, because you have a number of separate licences on a single KPIN), please contact the Zespri Grower Support Services Team on 0800 155 355 who will confirm this for you.

If you have any queries regarding the terms of your Gold3 licence, if you feel that you may be currently overplanted or if you'd like to confirm your licensed vs planted area, please contact the Zespri Grower Support Services Team or a Zespri Grower Liaison Manager.

PVR Enforcement Programme

As part of the wider Zespri PVR Enforcement Programme, we're working through scheduling audits of all orchards that participated in the 2019 Gold3 tender. This audit will be conducted by either GPS-it or another Zespri representative.

Growers will be notified by the PVR enforcement team to schedule the on-orchard visit to ensure that no planting has taken place without the necessary licence. Any plantings found without the necessary licence will be subject to the Unauthorised Plantings Policy that can be found on the Canopy website under Canopy > Growing Kiwifruit > Zespri® Variety Licences > GPS Mapping & Audits > Unauthorised Plantings.

The PVR enforcement team will work alongside Zespri's current mapping service providers GPS-it and Davenport Resources. They will be auditing all orchards that were successful in obtaining licence under the 2019 licence release and from a random audit list generated by Zespri each year. Zespri is committed to the ongoing protection of PVR varieties and ensuring compliance as per the Zespri Variety Licence conditions and making sure they're strictly adhered to for the benefit of all licence holders.

How can I check what my licence area versus planted area is?

You can check what your licensed area is compared to your planted area for all your KPINs by logging onto the Zespri Portal, which can be found through a link on the Canopy website home page. The Industry Portal contains your details and information on the orchards you own or lease.

Step 2: Select 'INDUSTRY PORTAL'.



Step 3: Once you have selected your favourites, scroll down to the bottom of the page and click 'done'.



The Industry Portal link will now be permanently located on your favourites. Now just click the link to take you to the Zespri Industry Portal landing page.

Step 4: Click on 'orchards' (all orchards you're connected to will be displayed through this link). If you can't see one that you believe you should be connected to, please call the Grower Support Services on 0800 155 355 to discuss.



If you have multiple KPINs, they will appear in a drop down box here.



Step 5: Once you have selected a KPIN, scroll down to the bottom of the page you will see 'variety summary'



This will show your licensed area versus your planted area for all of the varieties on the KPIN you have selected. Please note, the planted area is generated from your spray diary blocks. If you've received a GPS audit recently or grafted some blocks your spray diary may not be updated yet. Please check your blocks loaded in spray diary are accurate.

If you hold multiple licences under one legal entity, you're also able to see what your total licensed area for your legal entity is.

Select 'organisations' at the top of the page.



Scroll down to the bottom of the page and you'll see 'licence holding'. This hectare amount is a total of all licenses held by the selected entity which can be spread across multiple KPINS.



If you have multiple entities, they will appear in a drop down box here.



[Name]

If you're having trouble logging into Canopy or cannot see a KPIN or entity you should be connected to, please contact the Grower Support Services Team by phone 0800 155 355 or email at contactcanopy@zespri.com.

How to add the Industry Portal to your homepage of the Canopy website

Step 1: Locate your 'favourites' box on the Canopy homepage and select 'edit' (see image below). This will open a new window called 'edit your favourites'.





30 August 2019 *kiwiflier* #**40**5 9 🖁

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 will focus on understanding your responsibilities as a grower, sustainability and meeting on-orchard compliance requirements while achieving maximum returns for 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
- · Emerging food safety compliance
- · Biosecurity updates.

Please ensure you book for the session you wish to attend at zesprievents.co.nz.

Date	Venue	Time
Week 1		
Monday	Edgecumbe Awakeri Events Centre, State Highway 30	9am – 10.30am
2 September		
Tuesday	Gisborne 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	10am – 11.30am
4 September	Whangarei Distinction Whangarei Hotel & Conference Centre, 9 Riverside Drive	2pm – 3.30pm
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	Motueka Top 10 Holiday Park, 10 Fearon St	9am – 10.30am
Friday 13 September	Whanganui Anndion Lodge, 143-145 Anzac Parade	9am – 10.30am

Industry Supply Group (ISG) 15 August

The main agenda items to be discussed are as follows:

- Maturity review
- Duty of care
- Missing label infringements
- VAC update
- GA1OB Japan incentives
- Sustainability update

The next ISG meeting will be held on 19 September.

Voluntary recall notice: PyGanic® Organic Insecticide

Key Industries Ltd, the New Zealand distributor of PyGanic®, has issued a voluntary recall of all batches of PyGanic® — meaning PyGanic® can't be sold, used or applied to any crops or premises regardless of whether they are organically certified or non-organic.

The recall is a result of low levels (parts per million) of a synergist, piperonyl butoxide (PBO), being detected in batches of PyGanic®. The presence of these low levels present no risk to the environment, human health or

produce when used according to the product label in standard crop protection programs. While this issue relates mainly to the use of product in the organic market, as it may affect organic certification, the prohibition notice is applicable to all PyGanic® uses. As such, Key Industries is working with the organic certifying bodies, BioGro New Zealand and AsureQuality, as well as MPI, regarding this matter.

More information can be found online at www.keyindustries.co.nz.

Service Level Agreement (SLA) Quarterly Report

Zespri negotiates and enters into SLAs during the season which become binding and part of the 2019 Supply Agreement. The below table outlines the SLAs entered into for the 2019 season. A number of SLAs are rolled over from season to season, for example the Non-Standard Supply and Class 2 Supply SLAs.

SLA Type	SLA Description
Local market supply	Registered Suppliers to sell specific classes and sizes of Zespri Kiwifruit, not required by Zespri for export, onto the domestic market to distributors, retailers and processors.
	To secure a volume of Zespri Green Conventional and SunGold for shipping which has been pre-cleared for Australia.
Market specific supply	To source low pest Organic product for Korea.
	Organic SunGold to Japan.
Class 2/ non-standard supply	Supply Class 2 and NSS to export markets.
Generic services	Supply of Generic Industry Services at Generic Industry rates i.e. market specific labelling, pack transfers, shared containers.
Quality withdrawal	The Contractor has identified grower lines that could be repacked prior to export and meet export standards in the short term but is likely to deteriorate rapidly post FOBS.
Consolidation	To consolidate part pallets for sale.
NIR grading	To allow the use of segregation technology after initial harvest segregation.
Crop estimate	Obtaining count data to strengthen the official supply estimate process.
Airfreight orders	Supplying kiwifruit via airfreight orders.
Advanced movement	Shipping volume ahead of demand to ease onshore coolstore capacity.
Use of Zespri's wharf ECPI area	Use of Zespri's wharf ECPI area.
Collaborative marketing/special programmes	Supply product to meet Collaborative Marketing and Special Programme demand such as different packaging/labelling requirements and additional pest control procedures.
ECPI donor fruit	ECPI Donor Fruit.
	To allow pre-commercialised varieties to be packed and stored at post-harvest entities for assessment purposes.
	SmartFresh Treatment trial for Zespri Green Kiwifruit.
Trial	Northland Shipping trial.
	Trials related to bin depth and CA storage for SunGold Kiwifruit.
	P1 non-plastic pocket pack trial.

₹10 *kiwiflier* ***40**5 30 August 2019



The month ahead — September



Planning for spring

Spring is hectic on the orchard and it kicks off this month! There's so much happening, so it's important to have a plan. We all know that a good plan doesn't survive the battle, but if you know exactly what you need to get done and how it all fits together, you can be flexible without letting anything slip through the cracks.

Pollination

- Pollination may be a while off, but that means you've got time to plan! This is one of the most important times on the orchard, so make sure you're organised to make the very best of the flowers you have
- A great use of a rainy day is to spend time thinking about and planning a pollination strategy for your orchard. What are its strengths and weaknesses when it comes to getting all your flowers fully pollinated?
- Secure your hives now, and order pollen as a back-up if you don't have any in the freezer. Don't leave it to the last minute! Get your pollination agreement sorted, so all parties know what's expected and there are no surprises.

Fertiliser

Budbreak is not far off and just before budbreak is the ideal time to apply compost

and base fertiliser so the rapidly growing canopy has plenty of nitrogen available when it's needed. Leaching of nitrate from the soil represents both an economic loss to you, and a threat to the environment.

Here are some considerations around fertiliser applications:

- 'Little and often' is better than 'once and done' when it comes to nitrogen applications, especially if soils are saturated, because this can limit the amount of nitrogen that runs off the top of your soil, or drains straight through
- Splitting applications is a useful tool to limit environmental impacts
- Avoid application if heavy rain is forecast or if the ground is saturated
- If soils are waterlogged, the application may need to be delayed to limit compaction of the soil

Monitoring budbreak

There are some great resources to help you monitor budbreak on the canopy. If you've set up a budbreak assessment, don't forget the most important part — recording budbreak progression and timing. This will give you some really good information about how effective your application of a budbreak enhancer was and help you with planning for next winter.

Watch the 'Budbreak assessment: part two' video, where you'll also find a template for recording and displaying the data you collect.



When five percent of the buds on a cane look like this, you've officially got budbreak (on that cane).

Spraying

Make sure your **property spray plan** includes who you need to notify and how you'll do it. You can find a template on the canopy website in the Agrichemical Management section of the GAP MSO page. Your spray plan needs to include any sensitive areas that adjoin or are near your property, and how you plan to mitigate the risk of any spray drifting onto those sensitive areas. If there's ever an issue, the first thing the council will do is ask to see your spray plan.

Spray coverage is critical for efficacy with many of the products applied over this period. Use water-

sensitive papers to check you're achieving good spray coverage as the canopy develops.

New grafts

This season's goal for your new grafts is to get as much canopy established as possible for the following season. Talk to your fertiliser consultant for recommendations for your site — the quantity and balance of nutrients required will likely differ from those that you used for your producing crop.

Other things to look out for

- Now is the time to check the position and calibration of your frost sensors, and to test the sprinklers to ensure everything is working properly. There's nothing worse than trying to fix or shift things in the middle of the night in a frost
- Bird strike can happen very quickly.
 An integrated control system of scaring devices (audio and visual) and deterrent sprays works best, and high risk parts of the orchard should be targeted for control first. Mesurol has been removed from the programme, so check the crop protection standard for the product that's going to best suit your orchard
- Be on the lookout for Psa symptoms, particularly checking young plants, grafts, and suckers grown last season.
 Cutting back 40cm from where infection is seen and applying wound protectants is recommended. Spring is high risk for the spread of Psa, so make sure you don't leave any gaps in your protective spray programme.

RECORDING SEASONAL KEY DATES

FULL BLOOM VS FRUIT SET

Did you know that the full bloom dates are an input for the KiwiStart models? Eurofins phones a sample of growers to ask for this date — keep it handy so you don't have to guess!

Full bloom date is also the date you'll need to use with the fresh weight and dry matter multipliers.

Fruit set date is used in the spray diary as a cut-off for spray periods, and to calculate the start of KiwiGreen monitoring periods.



TIP

Full bloom is the date that nearly all flowers are open — if there are a few still closed (like the un-popped kernels in your popcorn) we're about right.

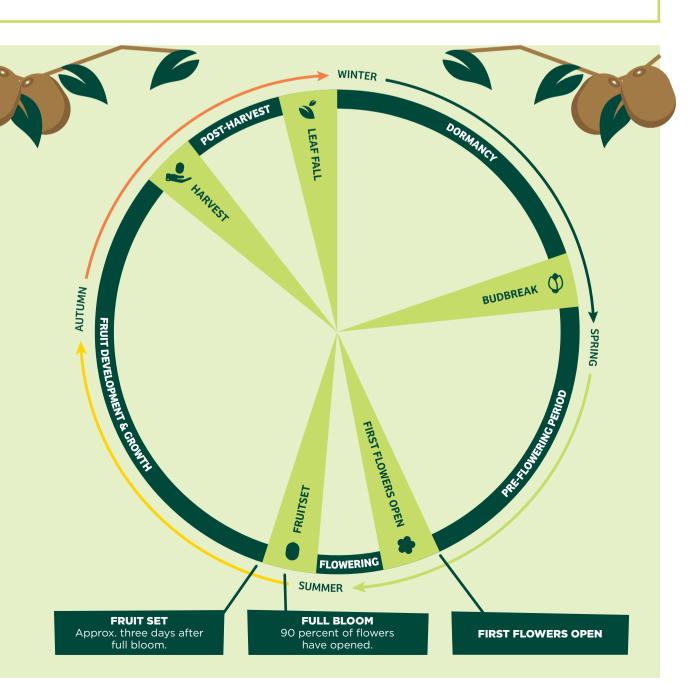


TIP:

Keep a small diary to record all your key dates at a block level. Some other useful dates might include:

- · Budbreak enhancer application
- 5 percent and 50 percent budbreak
- · Bees in/out
- Start of KiwiGreen monitoring (differs between scale and leafroller)
- · Harvest
- Leaf fall start/complete.

Comparing these dates season to season can be really interesting!



kiwiflier #405 11 \$\mathbb{R}\$ 30 August 2019



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

What do local body election nominees think about the kiwifruit industry?

Local government elections will soon be taking place across the country. The people who are elected will make decisions that affect the daily life of New Zealanders and will impact upon the kiwifruit industry.

NZKGI wants to ensure that growers have the best possible information so they can make

informed decisions when voting. Questions have been put to mayoral and councillor nominees on a range of topics that have relevance to the kiwifruit industry.

Nominees' answers can be read on the NZKGI website: www.nzkgi.org.nz/local-body-

New seasonal management guide out now



The Psa seasonal management wall chart 2019-20 is out now and a copy is included with this edition of Kiwiflier.

A key feature of the wall chart is the KVH recommended product list, which sets out the upcoming season's approved products for protection against Psa and their year-round application rates and permitted use periods.

Any changes or updates made to the chart and product list during the 2019-20 season will be made to the online version and will be notified via the KVH Bulletin.

Complementing the chart is the KVH Psa Risk Model. Developed as an online, weather-based

decision support system, the model helps growers with orchard management in a Psa environment. It includes weather station data and forecast details to provide customised access to unique disease information and interpretations.

KVH has produced an online video tutorial to guide growers through the model, demonstrating how to use the weather tools available. The video and the model are both available on the KVH website at www.kvh.org.nz/kiwi_psa.

Spring step-up for fruit fly response



As we hit the end of winter, the fruit fly response in Northcote, Auckland has stepped up again - with a focus on maintaining controls, resuming baiting and more intensive trapping.

Since 26 April, an area of Northcote has been under a Controlled Area Notice, restricting the movement of certain fruit and vegetables out of controlled areas to help prevent the spread of any fruit flies that may still be in the vicinity. Along with continued movement restrictions, a network of fruit fly surveillance traps which attract male fruit flies has remained in the area over winter and were regularly checked, with the last single male fruit fly detected in the current controlled area on 15 July.

We signalled at the start of winter that we would be stepping up again around this time to ensure this significant pest doesn't establish in New Zealand. We won't be relaxing our efforts until we're absolutely confident we are rid of these flies. We have found 10 flies in the Northcote area since February, and while we still haven't found any evidence of larvae, pupae, eggs or female flies, the continued finds indicate that flies could remain in the area, albeit at very low levels.



A spring fruit fly baiting programme has resumed in

More information, including links to detailed maps of the controlled areas, is available on the KVH website at www.kvh.org.nz.

Kiwifruit's Most Unwanted - updated and out now



KVH regularly talks about fruit fly being our number one threat closely followed by the Brown Marmorated Stink Bug (BMSB), but how are these rankings assigned?

We've developed a risk matrix to provide a structured and objective method of prioritising threat organisms into a shorter list for the purpose of readiness and response planning. The organisms that are considered the highest risk make up Kiwifruit's Most Unwanted. This is based on the likelihood of them entering and establishing in New Zealand, and the potential production and market access impacts should this occur.

Significant efforts are put into readiness planning for these threats. This essentially involves working with others in our industry, Biosecurity New Zealand and affected sectors to agree how we would respond to an incursion of these organisms and running simulations with KiwiNet (our industry response team) to test readiness plans.

The Most Unwanted list has just been updated and many of the pests and

pathogens that feature will look familiar as you would have seen them in the headlines in recent times — BMSB was found in December at a property in Mount Maunganui and there have been three separate fruit fly responses in Auckland this year.

However, there have also been some changes to the list, namely the addition of the Spotted Lanternfly (SLF) which is becoming an increasing threat globally since its invasion into the US in 2014. Kiwifruit is a host to this pest and there have been reports of damage to kiwifruit in both its native and invasive range with sooty mould growth being the most significant impact. SLF is a hitchhiker pest that would be most likely to arrive as egg masses on inanimate objects. Researchers in the US say this pest may be just as devastating if not worse than BMSB.

You can order a copy of the Kiwifruit's Most Unwanted updated foldout flyer or brand new poster (we have them in A4 and A3) for your orchard, business or staffroom by contacting KVH by email at info@kvh.org.nz or by phoning 0800 665 825.





BRAZILIAN

WILT



9000

BROWN MARMORATED STINK BUG

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SPOTTED



PSA NON

WHITE PEACH



Save the date!





Join us for the biggest biosecurity update of the year.

Join KVH and Zespri, as well as special guest speakers, on Wednesday 23 October for a morning dedicated to learning more about the initiatives underway to protect the New Zealand kiwifruit industry from unwanted pests and diseases.

The day will include an exclusive session with Professor Acelino Alfenas from Clonar / University of Vicosa, Brazil who will discuss research into Brazilian Wilt, a soil-borne

disease of concern and the importance of traceability. Presentations will also cover BMSB preparedness and on-orchard management, and latest news and lessons from research initiatives.

When: Wednesday 23 October

Where: Mount Surf Club, Adams Avenue,

Mount Maunganui

RSVP: online at www.zesprievents.co.nz.

212 *kiwiflier* #405 30 August 2019



What are Zespri's tolerance levels on overplanting for Zespri variety licences?

Zespri understands that in some cases, overplanting is minor and unintentional. There has been instances, however, where Zespri has identified growers who have deliberately or recklessly exceeded their licensed area. It's important for growers to understand Zespri doesn't have a "minimum area" under which it won't pursue unauthorised plantings.

I have an organic orchard that had scale issues last season. Is there anything I can do now?

Armoured scale doesn't cause much plant damage, but it's a market access issue as a quarantine pest in some of Zespri's major markets. Organic fruit with scale can cause major limitations in filling orders from the markets. Control of scale requires a multidimensional approach of both cultural and spray controls, such as removing crowns in winter, managing shelterbelt hosts, keeping the canopy open so that air can circulate and sprays can penetrate, removing spray guards (if vines are old enough to produce), vine tape and lower under-vine shelter to improve spray coverage. Organic growers can apply mineral oil in dormancy/pre-flowering which suffocates scale provided coverage is excellent. Research has shown that an application of copper and oil (Nordox 75WG at 37.5g/100L + Excel oil at one percent) in dormancy/pre-flowering causes no phytotoxicity or bud burning.

I've updated the end assemblies and/or canopy structures on some of my SunGold blocks. Will this change my block size?

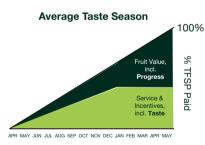
A large percentage of orchards that are mapped following updates to structures/end assemblies have changed in size since making structural changes. If your orchard is being audited, tell the auditor to survey any blocks that have had updates made to the structures or end assemblies since the previous audit.

Why have I only received part of my taste payment on my submitted fruit?

Taste payments are only paid on fruit that has been loaded out, not for fruit that is still in inventory. Check whether your fruit has been loaded out either by contacting your post-harvest facility or by using the 'Where's my fruit?' report on the Zespri Industry Portal.

Why do my progress payments seem lower than previous seasons?

The 2019 season has seen a significant increase in average TZGs across almost all varieties which translates into relatively high taste payments for growers, on average. Zespri aims to pay out a percentage of Total Fruit and Service Payments (TFSP) each month that are similar to the prior season's percentage paid, to ensure fair and relatively predictable cashflow for growers. In a high taste season, the proportion of TFSP that are paid out as taste payments from July until December is higher, meaning that progress payments paid through that period will represent a lower proportion of total payments each month.



Monthly payments over a season



Monthly payments over a season

Grower Liaison Team to host inaugural grower golf day

Date: 14 November

Venue: Omanu Golf Club, Mount Maunganui Time: 1pm

Join us for a fun day of golf where you'll get to mix and mingle with fellow growers as well as Zespri and post-harvest staff.

The tournament will be a stableford points tournament and all entrants will be mixed

into foursomes. The event is open to current, previous and new golfers. There will be spot prizes and entertainment during the day.

To register your interest, visit www. zesprievents.co.nz/golf and include your handicap (if you have one). If you have any queries, please contact Zespri Grower Liaison Manager Sue Groenewald on 027 493 1987.

EASTERN BOP CAREERS IN HORTICULTURE/LOGISTICS 7-11 OCTOBER 2019

Rangatahi and young people are our future industry leaders.

We have fast growing Horticulture industries on our doorstep including kiwifruit, berries, and mānuka. Businesses are keen to recruit local young people and support their ongoing learning especially in science and technology, IT and business, and freight/logistics following

Programme graduates will be eligible to apply for cadetships, internships, scholarships and work (both short term, and permanent).

Are you...

Planning to leave school

at the end of 2019? Keen to work in the Eastern BoP Horticulture Industry,

This Programme, and the opportunities it opens for cadetships, scholarships and work experiences might be for you!

including freight and logistics?

WHAT?

The five day residential programme provides insight to the horticulture industry, including freight and logistics, in the Bay of Plenty. There are many career opportunities including science and research, management and marketing, and logistics and supply chain roles.

The Programme includes:

- Eastern BoP context including Māori as international traders from pre-European times
- · Engaging with industry employers
- · Completing a Unit Standard
- Preparing and presenting a group project based around learning from the Programme

19™ AUGUST Visits in the Bay of Plenty to grow your knowledge about the full value chain - from research, to orchard construction, fruit production, harvesting and processing, transport

and logistics, and marketing both domestically

- and internationally FREE to all participants
- Programme based in Ōpōtiki District and includes field trip to Tauranga







APPLICATIONS

OPEN MONDAY



WHEN?

Week 2, October school holidays, 7 October - 11 October (5 full days).

Applications open on Monday 19 August.

Applications close Thursday 13 September and 21 September.

WHO CAN APPLY?

Senior school students over 16 years who live in the Whakatāne, Kawerau or Ōpōtiki District Council areas; and



Have completed a minimum of NCEA Level 1 and have good literacy and numeracy skills and an interest in business, management, science and technology, or freight/logistics careers in the Eastern BoP; and



With aspirations to leave school at the end

WHO IS INVOLVED?

Regional and local organisations and businesses have co-designed this programme, with a view to it becoming an annual opportunity to grow the youthful workforce for good jobs in the Eastern BoP.

Our group includes: Toi EDA - Eastern Bay of Plenty Regional Economic Development Trust, Fruition Horticulture (BOP) Ltd, OPAC, Zespri Group Ltd, Te Kaha Gold Ltd. Miro LP Ltd. NZ Mānuka Group. Sybton Horticulture Limited, NZ Kiwifruit Growers Incorporated, Kiwi Leaders, Tühono Whenua Horticulture Limited, and the Bay of Connections Freight Logistics Action Group (FLAG). We also acknowledge the support of Ōpōtiki College.

The Programme will be led by Fruition Horticulture along with trainers, industry leaders, and

Students will be supported and mentored throughout the programme.

HOW CAN I LEARN MORE AND APPLY?

- Email your interest and any questions to linkup@toi-eda.co.nz - subject line "Industry Exploration Programme"
- From Monday 19 August, the full Information Pack and Application Form will be available on the Home Page at www.toi-eda.co.nz

www.toi-eda.co.nz









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

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