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AHEAD – JUNE



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ZESPRI RED MARKET UPDATE

After a slightly earlier harvest this year following our hot and dry summer, Zespri Red Kiwifruit is back in local supermarkets.

This season's sales programme will allow Zespri to capture further insights into the fruit while we build towards establishing commercial volumes. Sales trials are also continuing in Singapore and this season, for the first time, Zespri Red is available in Japan.

Alongside the sales trials, Zespri is working with market research agencies in both Singapore and Japan to better understand the customer, shopper and consumer experience. These insights will enable us to continue the refinement of Zespri Red's marketing approach in advance of the full commercial launch in 2022.

The upcoming allocation of Zespri Red licence, followed by budwood distribution and grafting of commercial orchards, will see fruit from new commercial plantings become available for export in 2022.

Zespri Red has a relatively short storage life so the export programme uses a "pick-pack-ship" approach, with product loaded for export within one-to-two weeks of harvest. Fruit was harvested across four weeks (ISO weeks 10-14 this season), with all fruit arriving in export markets in good condition. In-market sales are underway but are still at an early stage and performance of the fruit in market is still being measured.

Singapore trials are being conducted through retailer NTUC, with Japanese trials taking place in AEON stores, plus some small volumes distributed to other retailers.

Domestic sales rates during COVID-19 were mostly through New Zealand supermarkets. Zespri Red was just hitting shelves as lockdown began which did have an impact on fruit quality. With New Zealand restrictions easing and shopper behaviour returning to more normal sales patterns, we anticipate better flow of product and improved quality on shelf.



Zespri Red cardboard packs and Zespri Red loose on display in New Zealand.


GROWER PAYMENT CHANGES FOR 2020/21

Zespri communicated to the industry back in April around the removal of taste payments across all varieties for the 2020/21 season due to the issues with dry matter testing.

The Period 1 indicative rates changed as a result of taste forgone compensation being removed from the Kiwistart compensation model. These indicative rates are available to view on the Canopy, which are subject to update after the 2020 August forecast.

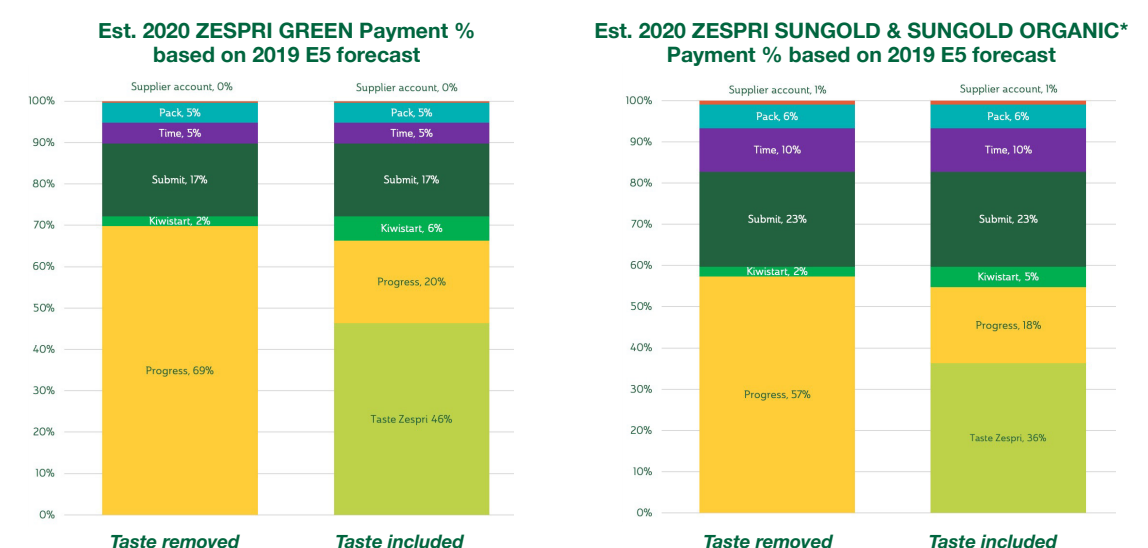
Outside of Kiwistart rates, the value that would have been paid out to growers through taste payments will now flow through fruit value, in the form of progress payments per the below 2019/20 season cashflow

table based on the E5 February Forecast. We're expecting to pay out to a similar percentage across the year as per previous seasons to ensure grower cashflow (for example, the below table shows in the 2019 season, SunGold and SunGold Organic was paid out 32 percent of TFSP by July based on the E5 February Forecast, hence the expectation – assuming markets are performing as planned – is to pay a similar percentage out this July).

ZESPRI GOLD3 AND ORGANIC GOLD3 APRIL – 2019/20 E5 FEBRUARY FORECAST										
 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	18%	
May-19		\$0.13						\$3.07	19%	
Jun-19		\$0.18						\$3.25	20%	
Jul-19		\$0.10	-\$0.02	\$1.34	\$0.49			\$5.16	32%	
Aug-19		\$0.25	-\$0.36	\$1.96	\$0.08	\$0.02		\$7.82	48%	
Sep-19		\$0.30	\$0.02	\$2.02	\$0.48			\$10.64	66%	
Oct-19		\$0.30	\$0.34	\$0.43	\$0.21			\$11.93	74%	
Nov-19		\$0.17	\$0.03	\$1.63	\$0.16	\$0.01		\$13.93	86%	
Dec-19		\$0.02	\$0.01	\$0.00	\$0.75			\$14.70	91%	
Jan-20			\$0.02				\$0.10	\$14.82	91%	
Feb-20				\$0.00	\$0.79			\$15.62	96%	
Mar-20					\$0.22	\$0.00		\$15.84	98%	
Apr-20					\$0.10			\$15.94	98%	
May-20					\$0.12			\$16.06	99%	
Jun-20							\$0.15	\$16.21	100%	
Paid YTD	\$2.80	\$1.58	\$0.76	\$7.38	\$3.29	\$0.03	\$0.10	\$15.94		
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.12	\$0.00	\$0.15	\$0.27		
Total fruit and service payments - 2019/20 forecast									\$16.21	

The image below is a visual representation of the value flow of taste payments into progress payments based off the 2019/2020 season E5 forecast as an example. This highlights the shift in percentage paid

out in progress if taste payments were removed for last season's crop. Maintaining value for New Zealand industry through a constructive solution to illegal plantings.



*Numbers illustrated are based on the 2019 E5 forecast and therefore reflect the Zespri SunGold and SunGold Organic pooled return. Zespri SunGold and SunGold Organic will be reflected in separate pools in the 2020 Season.

SEASON UPDATE

As noted in the recent Chairman’s Update, Zespri expects to release its financial results for the 2019/20 season before 12 June.

This reflects the decision of the Zespri Board to delay the announcement of the results to allow more time for final adjustments. While the overall profit is still to be finalised, these adjustments are expected to be minor and will not materially affect Zespri’s financial results or returns to growers or shareholders, with the results reflecting yet another outstanding season for the industry.

A grower virtual town hall will be held to discuss these results, with a date for this event to be advised, and details will be made available on Canopy.

Market update

Markets continue to track well to plan, with a big week of 6.0m TE (all fruit groups) delivered in market in Week 21 and all markets having a strong week.

As at the end of Week 21, 31.1m TE have been delivered through to consumers, 3.5m TE ahead of the same point in the 2019 season. Demand is especially strong in Europe at the moment and our Kiwi Brothers campaign highlighting vitamin C continues to perform well, ranking number one out of 1,821 TVCM in Japan for the second half of May. Our Future Markets, many of which have longer transit times, are now all underway and seeing good movement in market.

Vitamin C messaging remains the foundation of our marketing. Online shopping continues to rise, especially in China while online advertising and shopping remains strong. Traffic in traditional retailers is returning to normal as restrictions ease in some markets.

Supply update

In terms of submit, as of 29 May, 48.3 TE of Hayward conventional and all of this season’s SunGold crop had been packed. Green submit has continued at main pack levels with almost 13.9m TE submitted in the final week of May. Green conventional is now 72 percent packed and 0.8 m TE ahead of the same day last year. Green Organic is now 71 percent packed and 0.5m TE behind the same day last year. Growers can find daily progress updates on the Canopy at: <https://canopy.zespri.com/EN/industry/news/Pages/Industry-Daily-Submit-Report.aspx>.

Despite the challenges presented by COVID-19, shipping to date continues to be well ahead of the same point last year. To the end of week 22, 69.1 million trays have been shipped. This is up more than 4.4 million trays on the same time last season and 6.1 million trays up on the same time in the 2018 season.

The industry was expected to have loaded another 517 containers and a further charter vessel in the last week of May. This brings our total to 27 ships loaded out of a total of 49 ships scheduled for the season, and more than 6,491 containers loaded this year to date.

2020 LICENCE RELEASE

Pre-validation and collation of all bids for the 2020 SunGold and Zespri Red licence release is currently being completed by Cooney Lees Morgan in preparation for the Evaluation Panel who will meet in the week beginning 1 June.

A preliminary revenue range of \$300m to \$305m (excluding GST) was announced in the Industry Update email on 22 May.

All bidders will be notified of the outcome of their bid via email from 4 June onwards (after the Evaluation Panel meets). Those bidders who are successful will have at least three working days from the date of the notification email to arrange the 25 percent deposit via Electronic Funds Transfer (EFT) to the Cooney Lees Morgan Trust account.

All instructions for successful bidders will be clearly specified in the email and will include the following:

- Payment due date
- Bank account details of Cooney Lees Morgan Trust account for payment via EFT
- Amount of deposit
- Bidding reference (to ensure the amount is paid and allocated to the correct customer account)
- Details on the collection of budwood via an online booking system.

Note: Because of COVID-19, restrictions on the numbers of people attending the Zespri budwood coolstore have been put in place. You will no longer be able to turn up to the coolstore like you have done in the past and are now required to book a time slot through an online booking system. Details on how to book will be made available on the Canopy website.

Licence allocation timeline for SunGold, Organic SunGold and Zespri Red:

Date	Action
22 May	Preliminary revenue results announced
29 May	Pre-validation and collation of all bids completed by Cooney Lees Morgan
Week of 1 June	2020 Evaluation Panel makes decisions regarding allocation of licences. Successful bidders notified as soon as possible thereafter (estimated 4 June onwards)
4 June onwards	At least three days’ notice will be given by email to successful bidders so that they have time to arrange payment of their deposits by Electronic Funds Transfer (EFT)
1 July onwards	Licence packs distributed to successful bidders
20 July	Deadline for paying settlement monies and meeting all other settlement requirements

Note: The above dates are indicative and may be subject to change at Zespri’s sole discretion.

NEW BUDWOOD DISTRIBUTION PROTOCOLS

Zespri Red budwood is currently being procured from across New Zealand from high-health Zespri Red orchards. In accordance with KVH protocols, to manage any known or unknown risk of disease (including PSA). Budwood will in the first instance be supplied to growers from the same region where it has been collected.

Example 1: Zespri Red budwood collected from Gisborne will be distributed back to successful Zespri Red bidders in Gisborne.

Example 2: Zespri Red budwood collected from the Bay of Plenty will be distributed back to successful Zespri Red bidders in the Bay of Plenty.

All Zespri Red budwood is being graded and packed centrally at the Zespri Mount Maunganui coolstore under strict safety protocols. This is a critical step in the process and ensures that the best budwood available will be supplied. Growers should note that the regional budwood harvest may impact the timing of when the Zespri Red budwood becomes available for each region (noting the differing times of budwood harvest across the country).

Regional distribution of Zespri Red budwood

(Kerikeri, Auckland, Hawke’s Bay, Gisborne, South North Island).

Successful bidders of Zespri Red licence should contact their Grower Liaison Manager listed below to understand more information and timing in regards to the regional collection of your Zespri Red budwood and/or SunGold.

- Kerikeri – Tom MacMorran
- Auckland – Sue Groenewald
- Gisborne – Sylvia Warren
- Hawke’s Bay – Brad Ririnui
- South North Island – Jane Frost

Bay of Plenty distribution of Zespri Red/ SunGold budwood

Please note that the Bay of Plenty is classified as including Te Kaha, Ōpōtiki, Whakatāne, Edgecumbe, Te Puke, Tauranga, Katikati, Waihi, Coromandel and the Waikato.

All growers collecting Zespri Red (and/or SunGold) Zespri budwood will be required to use the Zespri booking system in order to collect their budwood. This is so that the Zespri budwood team can pre-pack each order based on the information supplied in the application form and to ensure that COVID-19 processes can be managed onsite.

The Zespri booking system will mean that the process is different from in the past when growers, grafters and management companies could turn up anytime during the open hours of the Zespri Coolstore.

There will also be a dedicated Zespri booking system for commercial grafters and management companies to be able to collect orders for multiple KPINs, providing the grower/s have confirmed the acceptance of the budwood collection terms.

More time is also required for the Zespri budwood team processing a Zespri Red budwood order based on the budwood movement restrictions.

If you require budwood from Zespri we will endeavour to provide, if required, both the SunGold budwood and the Zespri Red budwood at the same time. This may be subject to supply. A link to the Zespri booking system will be provided to all those that have indicated they require Zespri budwood in June. It’s anticipated the Zespri Coolstore will open on 24 June, subject to supply of the budwood.

Ongoing updates in relation to all distribution of budwood will be provided through the Canopy website and through direct email.

If you have any questions regarding the collection of budwood please contact Grower Liaison Support Lead, Jane Frost, by phone on 027 511 1056 or by email at budwood@zespri.com.



FROM THE MARKETS

New Zealand

Suppliers authorised by Zespri to sell Class 2 SunGold on the New Zealand domestic market are in their second year of funding marketing support for a Zespri Vita-branded SunGold marketing campaign to raise the awareness and drive demand for this awesome product with local consumers.

Jodi Tong, who manages the marketing programme on behalf of suppliers, reports that specific event sampling opportunities such as Women Expos, AIMS Games and the Auckland Marathon with associated media PR and social media were in the planning stages

before restrictions were implemented to mitigate the threat of COVID-19. These plans can be achieved while meeting all regulatory requirements around mass gatherings or events.

Some of these plans include the opportunity to place Zespri SunGold with food distribution companies such as Woop and My Food Bag. Online home delivery is a trending opportunity to place Zespri Vita SunGold directly into the homes of consumers which, together with Vitamin C messaging and a discount coupon, should see consumers coming back for more!



United States

The season is off to a great start in the US as the team chases an ambitious 28 percent SunGold growth target.

Week 19 comfortably beat the already ambitious planned target by hitting a new weekly sales record of 179,000 SunGold trays. This follows beating the target two weeks previously, through earlier supply and the ability of the team to capitalise on packing the fruit for retail orders despite the numerous COVID-19-related challenges.

This has been a real team effort with great support from the New Zealand industry to supply the fruit, navigate the shipping constraints and manage packing with social distancing and personal protective equipment requirements in place.

The US team has been building anticipation for our fruit with retailers and shoppers at a whole new level in 2020, through initiatives

such as joint business planning with top US retailers and enhancements in the use of retail data. The new one-pound packaging stands out more strongly on the shelves and dramatically improves our sustainability credentials. All of the large US retailers are excited about our product.

This pre-work is also supported with elevated demand for healthy products – particularly those high in Vitamin C, which is now a core communication message.

Kiwifruit has a low profile in the US, below the top 20 in the fruit bowl, so achieving this growth is not a given. Our challenge is to position Zespri favourably within this new shopper environment as a platform for growth. So far, we're well placed. Our immediate focus is to build retail distribution and prominent display ahead of the "Let your taste wander" marketing campaign kicking off in early June.

WATER UPDATE

COVID-19 has changed a lot about the way we work but some things have remained constant. People across the industry have continued to work on delivering our water strategy which is focused on enhancing and protecting our water resources.

Industry water goals

The Water Strategy Leadership Group endorsed the water goals launched by Zespri at Momentum in February as part of our wider sustainability goals. For those of you who need a quick refresh, the goals are that by 2025, all Zespri growers can:

- Demonstrate alignment of nutrient inputs and losses to good practice limits
- Use monitoring technology to actively manage and demonstrate their efficient use of water
- Have access to tools and knowledge to protect and foster healthy, fertile soils.

These are big goals and Carol Ward, Chief Innovation and Sustainability Officer, heads up this pan-industry work which brings together Zespri, NZKGI, Māori Kiwifruit Growers Forum, Horticulture NZ and growers. The water strategy vision is to collectively protect and enhance our water resources for our people, our environment, our communities while enabling kiwifruit industry growth.

Working it out

Ms Ward explains that four working groups are coming up with different parts of the puzzle.

"The Research & Information group is managing seven major scientific trials to answer questions which will add to the pool of knowledge to help growers manage water and nutrients better: questions like how much water and nutrients vines actually need, measuring nutrient leaching on different sites

and measuring how much water and nutrients growers actually use now," says Ms Ward.

This information is shared with other groups, with the Growing Our People - or extension - group translating it for the industry through resources and events.

"For example, earlier this month the group organised an online fertiliser forum to share the work we're doing and hear from the expertise of industry experts, joining forces to help growers limit nutrient losses on their orchards," Ms Ward explains.

The extension group is planning plenty of other events and grower resources over the rest of the year.

A sub-group of the water strategy is charged with looking at options for nutrient management tools that help growers make decisions and meet regulatory requirements. The team has looked at many different software tools and is working on a recommendation.

The Managing Water Together group looks at policy and reporting including the Government's recently released freshwater management policy, and assessing whether ZespriGAP can be used as a water reporting tool as well as supporting local catchment groups.

The Communications Group shares the work the groups are doing with industry and other bodies we work with.

Our industry's commitment to preserving our water resources is a long-term one, and the industry can expect to hear a lot more about water in the months and years ahead.

2020 ANNUAL MEETING AND NOMINATION FORMS

The Zespri Annual Meeting will be held at 1pm on Tuesday 18 August 2020. Due to the challenges posed by COVID-19, the Zespri Board is considering running this year's Annual Meeting online as a virtual meeting. The Zespri Board will continue to review the requirements around public gatherings and will make a decision on the format of this event next month. Shareholders would still be able to vote and ask questions.

Nominations for Zespri Directors and shareholder members of the Director Remuneration Committee are now open and will remain open until 18 June.

Nomination forms will be available from the Canopy (bit.ly/ZESPRI2020ANNUALMEETING), or by contacting Zespri Grower Support Services either by phone on 0800 155 355 or email at contactzespri@zespri.com.

This year, two directors retire as required by the Zespri Constitution. The directors retiring in 2020 are Nathan Flowerday and Peter Springford. Both are standing for re-election.

Peter Springford has been recommended by the Board for re-election as an independent director in accordance with the Company Constitution.

In addition to the election of directors, shareholders will be asked to elect a shareholder member to the Director Remuneration Committee. John Griffin will retire by rotation at the 2020 Annual Meeting and is not standing for re-election.

Shareholders should receive the annual shareholder statement by the first week of June. This statement will recalculate grower shareholders' share entitlement including the 2019 season production figures. Please check your statement and contact Zespri if any of your production has not been included. Proxy forms and further information relating to the appointment of representatives will be sent to shareholders in July. Please remember that companies and other incorporated entities must appoint a representative as a proxy if they plan to attend and/or vote at the Annual Meeting.

HYDROGEN CYANAMIDE: EPA ASSESSMENT

The Environmental Protection Authority (EPA) established grounds for reassessment of hydrogen cyanamide late last year and the 'Call for Information' phase closed on May 29.

This is where affected parties can provide the EPA with information about manufacture and import volumes, use and application, environmental exposure mitigation measures, scientific and technical information, cultural impacts and potential alternatives.

Zespri and NZKGI have worked together on a response which includes an independent economic impact assessment and advice from technical experts. The project group has sought input from growers, postharvest and the manufacturer.

After reviewing the responses to the Call for Information, the EPA will come back with an initial proposal about how hydrogen cyanamide will be managed in future. Formal submissions will then be invited on the initial proposal and industry can participate and share their views. The EPA will appoint a panel to make a decision on hydrogen cyanamide, taking into account feedback from industry and the wider community.



ZESPRI IN THE COMMUNITY

KidsCan volunteering

As our industry grows, it's important the contributions we make to our local communities grow too. We were proud to partner with national charity KidsCan, who have been looking after some of our most vulnerable during these challenging times.

With New Zealand schools closed during Alert Level 4 and limited to a small number of children in Alert Level 3, around 34,000 children faced the likelihood of going hungry without access to KidsCan's Food For Kids programme, which is normally delivered to schools. As an approved essential service, KidsCan continued to pack food parcels for families in need around New Zealand, and alongside other generous businesses, we were pleased to support their efforts in keeping children healthy by donating one tonne of Zespri Kiwifruit.

When New Zealand moved into Alert Level 2, Amy Porter and Hiraina Tangiora from Zespri's External Relations team joined the KidsCan team to lend a hand in packing a significant nine pallets worth of food packages. Zespri is proud to have an existing and meaningful relationship with KidsCan, and to help care for those most in need as part of our ongoing response to COVID-19.

This is part of the work Zespri is doing in communities around the world, including in response to COVID-19, which has included a contribution to a temporary hospital in China and fruit for frontline workers and children in need in Japan. All around the world we're helping play our part in supporting vulnerable communities.



The Zespri team on site with KidsCan to pack much-needed food packages.

Fruit donations

To date, we've provided over 10 tonnes of kiwifruit as well as financial support to local food rescue and charity organisations in many of our growing regions, including Food Rescue Northland, The Daily Café in Te Puke, Nourished for Nil in the Hawke's Bay, and Gizzy Kai Rescue in Gisborne. In the coming weeks, we will provide an additional 36 tonnes of fruit to charities nationwide.

Globally, our support has grown to include donations to local charities in our growing regions in Italy, to Foodbanks in Europe, as well as Korea where we are supporting low-income senior citizens, complementing the donations we've made in China and Japan.

Support for Good Neighbour

We've partnered with Good Neighbour as a Gold sponsor for the last few years, so it made sense to support the critical work they do every day — especially through the COVID-19 crisis. We provided Good Neighbour with both a financial contribution to assist with funding their ever-increasing costs, and weekly deliveries of both Green and SunGold Kiwifruit.

We contacted our friends at Good Neighbour who were extremely grateful for the donation.

"Our demand over the lockdown period has increased dramatically. To give you an idea, we rescue approximately 1.5 to two tonnes of food each day from 13 local supermarkets. Prior to lockdown, we were distributing this to 50 charities through the week. We're now distributing the same volume of food through 16 charities as their needs have dramatically increased. Our plans to bring back some of the other original 50 will stretch our resources.

The kiwifruit has been a blessing to so many of these charities and also to individual homes that we're delivering care boxes to (approximately 40 per week). This is an area of Good Neighbour that we didn't previously operate but we've identified a need as the referrals have come through agencies and our volunteers to provide help to vulnerable families. Thank you again for your generosity and partnering with us," the team at Good Neighbour said.

Zespri has also reached out to other foodbanks and food rescue charities from our eight growing regions around New Zealand who are experiencing similarly increasing demand, to offer kiwifruit donations. Please get in touch with sponsorship@zespri.com if you know of any smaller charities operating in your area we might not be aware of.



Good Neighbour was pleased to receive a donation of Green and SunGold Zespri Kiwifruit to the KidsCan Food For Kids programme which delivers to schools.

Meet Koko, the new Zespri kiwi!

Koko the kiwi is the latest addition to the Zespri kiwi (bird) crew at Ōtanewainuku Forest. Koko – a female kiwi – was named by Zespri's friends from Youth Search and Rescue (YSAR). Koko means to soar or to fly which, despite the obvious

irony if taken literally, doesn't take away from their prominence and importance in Aotearoa's history. Koko joins Koura, Izzy and Sonny along with over 20 other kiwis in Ōtanewainuku Forest. As part of Zespri's three-year partnership with the Ōtanewainuku

Kiwi Trust, Zespri helps fund transmitting gear for tracking kiwi, helicopters for the recovery of kiwi that have wandered outside the protection of the Ōtanewainuku forest and cannot be tracked by usual methods, and covers the cost of egg hatching at Rainbow

Springs. Zespri is proud to partner with both Ōtanewainuku Kiwi Trust and YSAR, two fantastic organisations making a huge difference to our local community.



Photo credit: Henry McIntosh (please note photos were taken before social distancing practices were required.)

2019/20 FINAL PROGRESS PAYMENTS

CLASS 1 - APPROVED PROGRESS PAYMENT 29 MAY 2020	AVERAGE ON NET SUBMIT	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.2217	\$0.2900	\$0.2470	\$0.2130	\$0.2381	\$0.2381	\$0.0456
Zespri Organic Green	\$0.2399	\$0.2938	\$0.1995	\$0.2773	\$0.2561	\$0.2561	\$0.1437
Zespri Gold3 & Organic Gold3	\$0.2037	\$0.1020	\$0.1380	\$0.2017	\$0.4061	\$0.2781	No supply
Zespri Green14	\$0.1658	\$0.1582	\$0.1905	\$0.1860	\$0.1617	\$0.1617	\$0.1577

1. 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 29 MAY 2020	AVERAGE ON NET SUBMIT	16/18/22	27	30	33	36	39	42
Class 2 Green*	\$1.2404	\$1.1729	\$1.1581	\$1.2352	\$0.9871	\$1.1483	\$1.4985	\$3.2448
Class 2 Organic Green	\$0.8400	\$0.7913	\$0.8538	\$0.9126	\$0.9530	\$0.7740	\$0.7710	\$0.7609
Class 2 Gold3	\$1.0433	\$1.1440	\$1.0924	\$1.0581	\$0.9375	\$0.8392	\$0.9524	\$1.4951
Class 2 Organic Gold3	\$1.1069	\$1.2002	\$1.2509	\$0.9706	\$1.1506	\$1.0075	\$0.6669	\$0.6862

*Weighted average of total final payments for the HW2CK programmes.

NON-STANDARD SUPPLY - APPROVED PROGRESS PAYMENT 29 MAY 2020	42	46
Zespri Green		(\$3.1256)*
Zespri Organic Green		\$0.9748
Zespri Gold3	\$1.0883	
Zespri Organic Gold3	(\$0.4838)*	

1. Progress payments for Class 2 and Non Standard Supply fruit are paid on loaded out trays.
2. Loaded out trays = Net Submitted trays at year end = gross submitted trays less onshore fruit loss trays.
- * For Non-Standard Supply Green size 46 and Non-Standard Supply Organic Gold size 42, the final per tray wash-up amounts are negative due predominantly to the finalisation of North American market returns.

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.

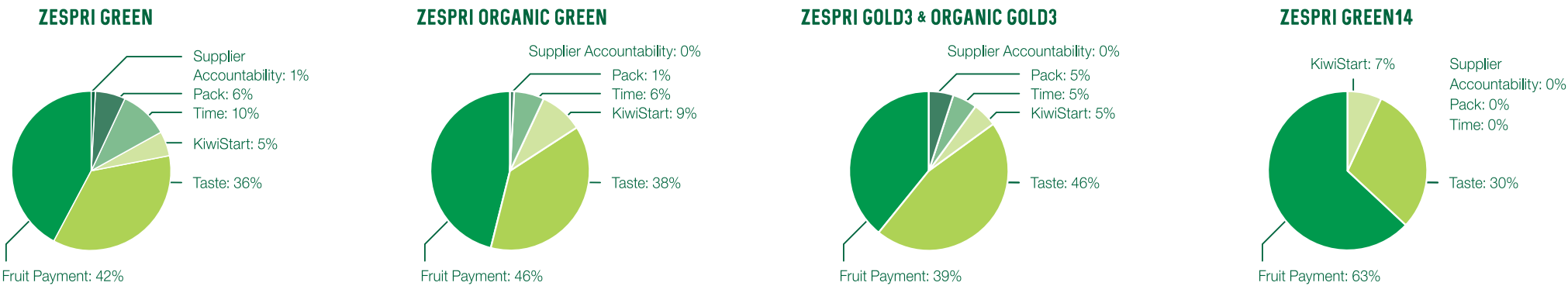
May 2020 approved progress payments on Net Submit trays

Approved per tray progress payments for 29 May 2020:

Class 1	
Zespri Green	\$0.2217
Zespri Organic Green	\$0.2399
Zespri Gold3 & Organic Gold3	\$0.2037
Zespri Green14	\$0.1658

2019/20 SEASON GROWER PAYMENT PORTIONS – TOTAL FRUIT AND SERVICE PAYMENTS

2019/20 Actual



SHARE BRIEFS

As at 22 May 2020 the last Zespri share price trade was \$8.30 traded on 8 May 2020 (there has been a USX share trading halt in place since 8 May). There were no buyers. There was one seller at \$7.65.

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 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 **22 May 2020**.

Quote Line at Friday 22 May as at 8.00am						
Code	Bid (\$)	Offer (\$)	Last (\$)	High (\$)	Low (\$)	Volume
ZGL	7.650	0.000	8.300	0.000	0.000	0

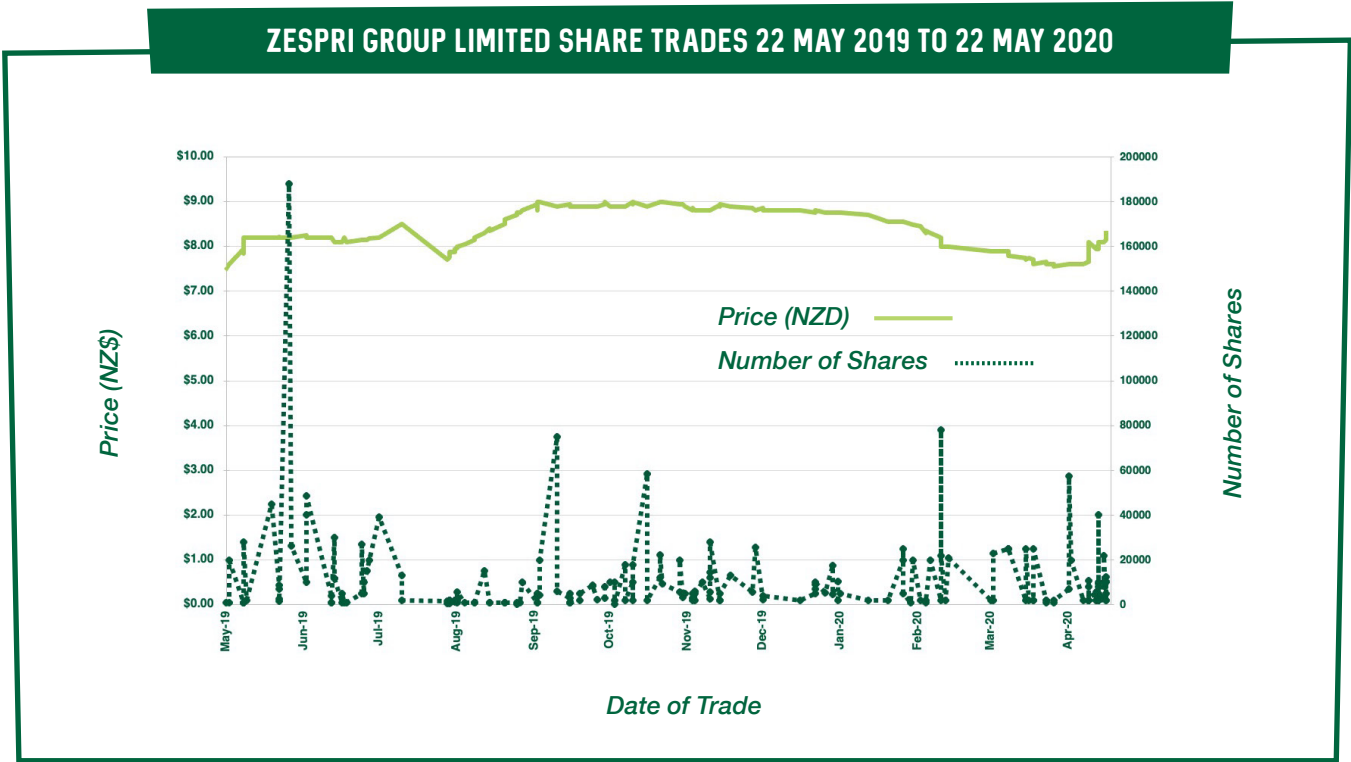
Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	1,000	7.650			

Last 10 Trades			
Date/Time	Quantity	Price (\$)	Value (\$)
8/05/20	12,300	\$8.30	102,090.000
8/05/20	5,000	\$8.15	40,750.000
8/05/20	10,000	\$8.15	81,500.000
8/05/20	10,300	\$8.15	83,945.000
8/05/20	2,000	\$8.15	16,300.000
8/05/20	2,000	\$8.15	16,300.000
7/05/20	22,000	\$8.10	178,200.000
7/05/20	10,000	\$8.10	81,000.000
6/05/20	2,500	\$8.10	20,250.000
5/05/20	2,500	\$8.10	20,250.000

Director share trading

For the month of May (as at 22 May), 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 *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.



THE MONTH AHEAD – JUNE

Leaf drop
sprays

Winter
pruning

Grafting

Soil
management

Winter
chill

Winter's coming

Leaf drop sprays

The use of copper sprays to protect leaf scars from Psa will assist with leaf drop. Heavier copper rates will hasten leaf drop but will, over time, increase orchard copper levels. The addition of nitrogen to the lower rates of copper will assist leaf fall, but these applications should be considered as part of your total nitrogen fertiliser application. Check out the *Kiwiflier* Spotlight on leaf drop for tips on using leaf drop sprays which can be found via Canopy > Zespri & The Kiwifruit Industry > Publications > OPC Kiwiflier Spotlight Series > Issue 9: OPC Kiwiflier Spotlight on Leaf Drop.

Winter pruning

Before you make a start on winter pruning, it's important to work out what your targets are for next season. Most likely your targets for pruning will be about both **numbers** (working towards a final volume of trays)

and **quality** — so take the time to think about both parameters.

The Winter Canopies page on Canopy (Canopy > Growing Kiwifruit > Orchard Management > Canopy Management & Pruning > Winter Canopies) has some really great resources to help you decide your targets, set specifications and communicate these to your work crew. Resources include worksheets, pictorials and videos.

Remember — it's not just about getting the target number of buds in a bay, it's about achieving an even distribution of buds right across the bay. What strategies might you employ to get sufficient buds tied in close to the leader? This area is often challenging to fill, and sometimes using a separate crew to focus on this area can result in a better outcome. Avoid pruning in wet conditions and maintain hygiene from vine to vine. Supplying two sets of tools also makes it easy to sterilise between areas.

Grafting

Planning on grafting? Grafting and establishment resources are available on the Canopy website.

Don't let your winter development work lead to any nasty surprises — make sure you start with clean plant material. New plants and budwood pose the highest risks of disease transfer. We may have learnt to manage Psa, but it's important we stay vigilant to the threats posed by pests and disease. Source only certified plants from Kiwifruit Plant Certification Scheme (KPCS) nurseries to reduce the risk of introducing new diseases to your orchard.

You can check out the latest advice on collecting budwood and the rules around budwood movement on the KVH website. Use the cleanest source of budwood, from your own orchard where possible. Traceability is also important, so records of budwood supplied and received must be maintained and kept with grower GAP records. If you're unsure of movement controls or have any queries, call KVH on 0800 665 825 or email info@kvh.org.nz.

Soil management

Significant volumes of key nutrients are removed from the orchard along with the crop. Annual soil testing provides an understanding of what nutrients are present in the soil and if there are adequate amounts to meet next year's plant and crop requirements. It allows

a more accurate fertiliser programme to be developed, to maximise your fertiliser dollar and minimise environmental risks from surplus applications. Complete your soil test following harvest and with enough time before budbreak to develop your nutrient management plan. Here are some key points to keep in mind when collecting your soil samples:

- Samples should reflect the area that fertiliser is being applied to, which in turn should reflect where vines are accessing nutrients from
- Be consistent - Collect your samples from similar locations and at the same time each year to better compare year on year results.

To keep the ground well aerated, avoid running heavy machinery over wet or waterlogged soils. The weight of machinery on these soils will result in further compaction.

Monitoring winter chill

Monitor winter chill on your orchard so you know what units you've accumulated. A chill unit is generally considered as hours under 7°C, although Richardson Chill Units take into account that the most effective temperature for chilling is around 4°C, with the outer limits of effectiveness falling away at 0°C at the lower end, and 14°C at the upper end. Websites like www.harvest.com and www.hortplus2.com can provide data from local weather stations.

UPSKILLING YOUR WINTER PRUNERS

With COVID-19 impacting worker availability this year, you may have experienced staff who haven't done winter pruning before. This means it will be more important than ever to work with them to ensure they understand what to do and why **before** they start the job. Remember, winter pruning lays the foundation for the season ahead and future years - it's about removing the fruiting canopy and laying down the right amounts of the best wood to kick off next season successfully.

Focus should be on two critical factors:

- consistent canopy fill across all bays in the orchard
- the appropriate number of high quality winter buds.

To help, there are a number of resources

available on the Canopy website (> Growing Kiwifruit > Orchard Management > Canopy Management & Pruning > Winter Canopies) including two short videos that will take just five minutes to show staff before they begin the job. These videos are about wood selection and achieving your specifications. There's also a two-page Need to Know on winter pruning that can be found online at Canopy > Zespri & The Kiwifruit Industry > Publications > Need to Knows > NK004 - Winter pruning at a glance.

Once they've watched and read this information and they're ready to begin, ensure you (or a supervisor) works closely with them on the first day and continues to monitor their work as they go. It may take a little longer, but given the importance of the job, it will be time well spent.

GETTING YOUR BUDBREAK STRATEGY SORTED

Developing a clear strategy for enhancing budbreak on your orchard takes a bit of thought. What products are you going to use? Are you going to try any alternatives to Hydrogen Cyanamide this season? When is the best time to apply? Have you got your neighbours' contact details handy so you can notify them of your intention to spray? Is your spray plan up to scratch, and is it going to help you keep those in and around the orchard safe? We've got resources to assist.

The latest *New Zealand Kiwifruit Journal* has a few great articles to get you thinking: alternative products, some more detail on Advance Gold, and how to compare different products on your orchard.

The Extension Team are running two webinars to help you with your budbreak strategy:

Getting applications spot-on with NSure (now HazelTrex), Thursday 11 June, 9am. Register at <https://bit.ly/budbreakapplication>.

Hydrogen cyanamide alternatives. Thursday 18 June, 9am. Register at <https://bit.ly/HCalternatives>.

DOING YOUR BIT

Hectares of kiwifruit continue to expand, with an increasing percentage of SunGold. This brings increasing pressure on spray contractors to get early season applications applied on everyone's orchards at the optimal time. Add some windy conditions or a weather bomb in the mix and it could mean that your orchard budbreak sprays or Psa protection is sub-optimal.

To help alleviate this pressure, have you considered spraying more of your own orchard? If you own an air blast sprayer and have the relevant Growsafe certificate, consider getting it calibrated now for early season spraying. This includes fitting it with AI (low drift) nozzles to help reduce spray drift. This will give you peace of mind that your orchard will be sprayed at the optimal time, setting you up well for the season ahead.



A winter pruned SunGold block.

USEFUL RESOURCES

Leaf drop sprays:

Need to Know on copper sulfate application for leaf drop: Canopy > Zespri & The Kiwifruit Industry > Publications > Need to Knows > NK018 - Copper sulfate application for leaf drop.

OPC Kiwiflier Spotlight on leaf drop for tips on using leaf drop sprays which can be found on the Canopy > Zespri & The Kiwifruit Industry > Publications > OPC Kiwiflier Spotlight Series > Issue 9: OPC Kiwiflier Spotlight on Leaf Drop.

Winter pruning

Canopy > Growing Kiwifruit > Orchard Management > Canopy Management & Pruning > Winter Canopies

Winter chill

OPC Kiwiflier spotlight on winter chill for understanding its importance and why you should be tracking it: Canopy > Zespri & The Kiwifruit Industry > Publications > OPC Kiwiflier Spotlight Series > Issue 12: OPC Kiwiflier Spotlight on Winter Chill.

APRIL/MAY 2020 KIWIFRUIT JOURNAL

Because of restrictions around periodical publications during Alert Level 4, the April/May edition of the *New Zealand Kiwifruit Journal* was initially released **online only**.

We know that many of you love flicking through the journal over a cup of coffee or at the lunch table, and reading at your computer just isn't the same - but it's all for a good cause. Head along to the Canopy (Canopy > Zespri & The Kiwifruit Industry > Publications > Kiwifruit Journals > All Kiwifruit Journals > Kiwifruit Journal Apr - May 2020) to have a read while we work out how we can get hardcopies sorted in the future.

Some of the key technical articles include:

- **The quest to advance budbreak** – looking at the alternatives available for improving budbreak, including several grower case studies.
- **Getting the best out of Advance Gold** – covering some of the key technical considerations if you're thinking about trying this alternative to hydrogen cyanamide.
- **Shelter helps reduce the drift** – safe and responsible spray application is expected by our communities - what role does shelter play in keeping everyone safe?
- **Scale considerations for autumn and winter** – what tools and options do you have to use over the next few months to get scale under control, or to keep it under control.
- **Soil testing - in search of what's under your feet** – soil testing can provide powerful insights into your nutrient management plan which, in turn, can help reduce runoff and leaching of nutrients.
- **Letting ideas fly at Momentum 2020 - keeping values at the centre** – it's a powerful moment when you look around a room and realise that you are connected to

everyone else by a common view of what matters most.

- **Stinkbugs, impact on Italian kiwifruit** – the first studies coming out of Italy are detailing the effect brown marmorated stink bug has on kiwifruit, and it's not a pretty picture.
- **Psa never sleeps - Gold Futures update** – a report on year three of this project looking at managing site-specific challenges and measuring the resulting change in the impact of Psa.

HEIGHTENED AWARENESS FOR HITCHHIKERS



Photo credit: Gonzalo Avila PFR.

The 2019/20 high-risk season has come to an end with 57 Brown Marmorated Stink Bugs (BMSB) found, about a quarter of what was found the previous season, indicating management processes – especially those undertaken offshore – are working.

However, as we move into new COVID-19 alert levels and many more goods are moving again (including out of containers and transitional facilities where they may have been in storage for weeks), growers and the public are reminded to keep an eye out for stink bugs and other potential hitchhiking pests - dead or alive - that could have been hiding out in stationary cargo during the lockdown.

There are facilities that have remained open to manage the throughput of cargo during lockdown alert levels and we know Biosecurity New Zealand have been busy interacting with them about biosecurity risk and the necessity to maintain high standards.

There is never zero risk however, which is why we also need growers and the public's eyes and ears at the delivery end of the chain – this is key to finding unwelcome hitchhikers quickly enough to be able to do something about them and make sure they don't then spread throughout the community and onto orchards.

If you've seen any kind of pest or bug that you don't recognise and think looks unusual, catch it, snap it and report it by calling either KVH on 0800 665 825 or the Biosecurity New Zealand hotline on 0800 80 99 66.

INTRODUCING THE NEW KVH WEATHER AND DISEASE PORTAL

We're delighted to let you know about the new and improved KVH web-based Weather and Disease Portal.

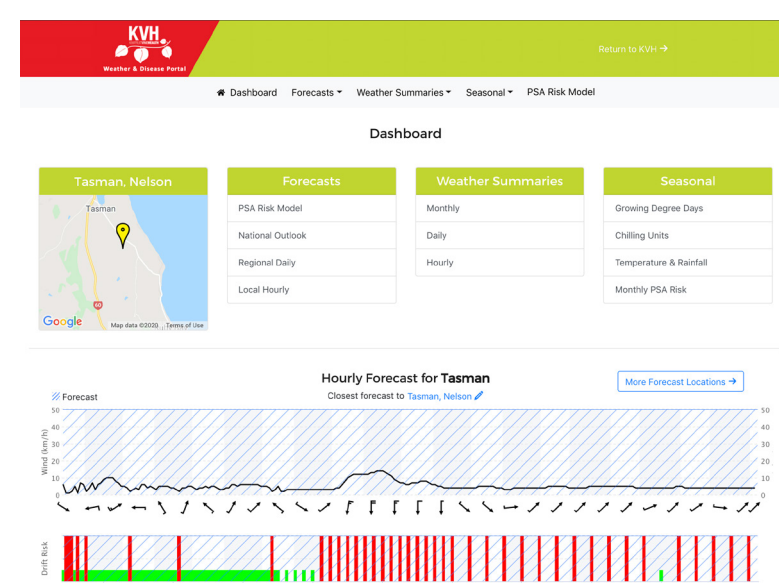
Everything from the risk model you've been using up until now is still available within the new portal, as are new features including updated graphs and information, new tools and forecasts, and a mobile-friendly interface that's easy for you to access on any device. Some highlights include:

- **Easy-to-read graphs:** The updated weather and disease graphs are easy to read, provide more detailed information, and can be used in the field on mobile phones and tablets.
- **New tools and forecasts:** New tools and additional forecasts are now available (all in one place)

including a National Weather Outlook, Ground Frost Forecast, Severe Weather Warnings, Monthly Weather, and Temperature/Rainfall Seasonal Comparison.

- **Psa Comparison Tool:** This new tool gives an idea of how much Psa risk pressure there is in the current season compared to previous seasons.

You need to log in to access the portal via the KVH website. If you don't already have a login you can register for access on the website at www.kvh.org.nz or contact the team on 0800 665 825.



NOTICE OF THE ANNUAL GENERAL MEETING OF NEW ZEALAND KIWIFRUIT GROWERS INC.

This is to advise you of the upcoming Annual General Meeting (AGM) of the members of New Zealand Kiwifruit Growers Inc. (NZKGI) and a call for items of business.

The details of the AGM are as follows:

Date: Tuesday, 18 August 2020

Time: 11am

Venue: Online or in Mount Maunganui

Due to COVID-19 and the associated uncertainty at this time around numbers at public gatherings,

NZKGI will announce whether the meeting will be held online, or at a venue in Mount Maunganui in the AGM pack which will be posted to members in late July.

Please submit your items for business to NZKGI by Wednesday 3 June, via email (info@nzkgi.org.nz), post (PO Box 4246, Mount Maunganui 3149) or phone (0800 232 505).





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

What's the recommended male ratio for Zespri Red?

The understanding of the best ratio of male to female for optimal Zespri Red pollination is still being developed. Based off pre-commercial block ratios and constrained male budwood supply, Zespri will provide male budwood for an initial planting ratio of 1 to 4. The male budwood will be supplied at the same time as the female budwood, clearly marked. Growers will receive a combination of the males, predominately Russell and MC79 (Earp). It's advised growers clearly mark the males with cattle tags or similar when grafting so that any on orchard observations can easily be made.

If my residue test fails, do I need to request another one?

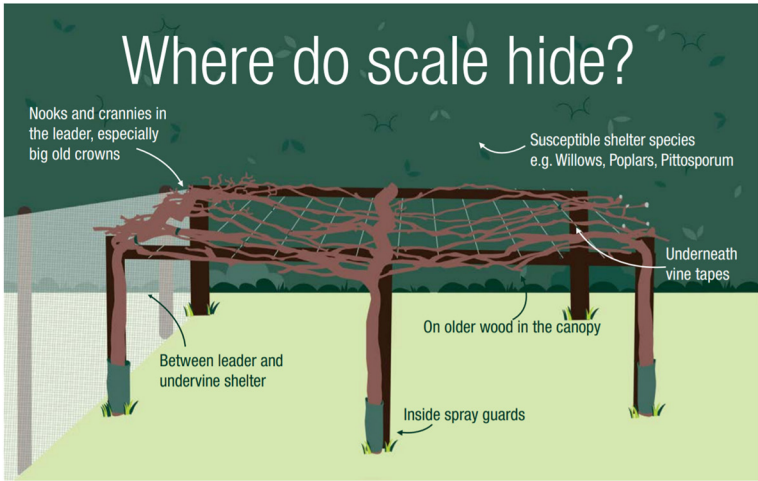
No. Zespri takes a cautious approach with residue results to ensure there are no problematic residue issues in market. If a positive residue result is found in a fruit sample, market restrictions are applied so the fruit avoids any market where the results exceed their maximum residue limits (MRLs). Even if a subsequent residue test is carried out, the initial test will stand unless otherwise arranged with the preharvest team to minimise any risk.

Can I do anything post-harvest to help minimise scale issues next season?

Check your orchard for scale, there are a number of places they like to hide. Ask your harvest contractor if they noticed any problematic areas – did your packhouse find any at packing?

If you have a problem, there are a couple of after harvest/winter agrichemical options

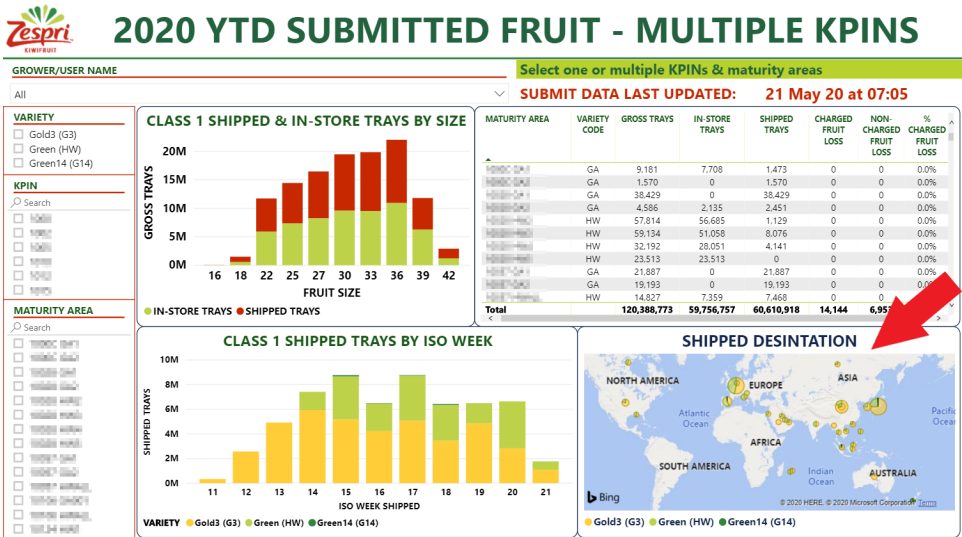
- Post-harvest Movento – systemic so is only suitable post-harvest when leaf is still in good condition. **Requires a Justified Approval*
- Mineral oil – an organic option. Don't apply more than one oil during dormancy as oils do carry inherent risk.
- Bifenthrin (Assail, Venom) – more commonly used for PVH and cicada eggs but has a label claim for scale, so if you're applying this product for PVH or cicada you may get some control on scale. Note that this product is currently under review with the EPA.



Some shelters are susceptible shelter species (the likes of willows and poplars) so consider replacing with those less likely to harbour pests. If there are infestations in the shelter, contact Zespri Crop Protection Advisor Melanie Walker (via email at melanie.walker@zespri.com or phone 021 182 2343) to discuss your options.

I've finished picking and packing, how can I tell where my fruit has gone in the world?

You can see your crop, how much is in store, what's been shipped and where it's gone through the Industry Portal. Log into the Canopy website and you'll find the Industry Portal link in the Favourites section of the homepage (top right). Then click on the 'Reports' icon.



Can I enter sprays for the 2021 season now?

Yes, you need to manually change the 'year of harvest' at the top of the spray line entry page to '2021' to allow selection of blocks and add entries for next season.

GROWER VIRTUAL TOWN HALLS

Thank you to those growers who have joined the Grower Virtual Town Hall meetings in recent weeks. These have been a good opportunity for Zespri to provide season updates including on specific markets.

The last session, featuring Zespri CEO Dan Mathieson, Chief Global Supply Officer Blair Hamill, North America Market Manager Glen Arrowsmith and Chief Grower and Alliances Officer Dave Courtney is now available online.

All recorded sessions and associated Q&A from the town halls are available on the Canopy (same reference as in article). Our next virtual town hall will be held following the release of Zespri's 2019/20 season results.

INDUSTRY SUPPLY GROUP [ISG]

21 MAY

The main agenda items discussed were as follows:

- Regional planning update
- Hail policy review

The June ISG meeting will be held on 18 June.



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

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