

KIWIFLIER

JUL 2024



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P16: FROM

STRONG FORECAST RETURNS FOR GROWERS HAS ZESPRI ON TRACK FOR \$4.5 BILLION SALES GOAL

Zespri's latest indicative forecast for the 2024/25 season reflects improved yields and the industry's largest ever crop of 197 million packed trays, with Zespri on track to deliver strong value to growers and reach our goal of \$4.5 billion in global sales revenue this season.

Forecast per hectare OGRs have increased, with the mid-point of current ranges above last season's final per hectare returns for all pools. Zespri Green and Organic Green Kiwifruit forecast per hectare returns are expected to be at record levels.

In releasing the forecast in late June, Dan Mathieson said while there are some challenges this season, we're continuing to see strong demand, with the industry's efforts to deliver consistently high quality fruit supporting strong sales in key markets.

"After a tough season last year, it's great to see per hectare returns rebound on the back of much better on-orchard yields which is positive news for our growers," said Dan.

Dan noted customer feedback on this season's fruit quality has been positive and has supported the strong start we've made in key markets, including record sales weeks in core markets.

"Maintaining our focus on quality in a season where we have significantly more fruit to deliver is critical to maximising value for growers.

"It's an encouraging forecast, however there are still some challenges in this season's smaller fruit profile and unfavourable foreign exchange movements from the Japanese Yen," said Dan.

2024/25 INDICATIVE JUNE OGR FORECAST PER TRAY AND PER HECTARE RETURNS

POOLS [FRUIT CATEGORIES]	2024/25 INDICATIVE PER TRAY RANGE – JUNE FORECAST	2024/25 INDICATIVE PER TRAY RANGE – 22 MARCH GUIDANCE	2024/25 INDICATIVE PER HECTARE RANGE – JUNE FORECAST	2024/25 INDICATIVE PER HECTARE RANGE – 22 MARCH GUIDANCE
Green	\$7.50-\$8.50	\$7.00 - \$8.50	\$80,000-\$91,000	\$75,000-\$91,000
Organic Green	\$9.75-\$11.25	\$9.50 - \$11.50	\$75,000-\$86,000	\$67,000-\$81,000
SunGold	\$10.00-\$11.25	\$10.00 - \$11.50	\$143,000-\$161,000	\$145,000-\$166,000
Organic SunGold	\$12.50-\$14.00	\$12.00 -\$14.00	\$129,000-\$144,000	\$130,000-\$151,000
Green14	\$8.00-\$8.75	\$8.00-\$9.50	\$51,000-\$56,000	\$45,000-\$54,000
RubyRed	\$16.25-\$17.75	\$16.00-\$18.00	\$69,000-\$76,000	\$50,000-\$56,000

"Our teams are working hard to manage these as we look to continue the positive momentum and deliver strong value to growers through careful monitoring of our fruit inventory levels, strong marketing campaigns, and pricing that supports strong run rates throughout the season."

2024/25 FORECAST TOTAL FRUIT AND SERVICES PAYMENT [TFSP] RANGE

The TFSP range (excluding loyalty premium) is forecast at between \$2.765 billion to \$2.865 billion.

2024/25 FORECAST CORPORATE PROFIT AND DIVIDEND RANGE

The forecast range of corporate net profit after tax is \$138 million to \$148 million, including licence release income, down from \$173.3 million last year largely due to lower licence income.

The forecast net dividend per share range is \$0.68 to \$0.73 (the gross dividend per share is \$0.82 - \$0.88). This is based on a dividend payout ratio of 90 percent of the available distributable profit, and imputation credits attached at a level of 55 percent of the maximum allowable.

ZGS: YOUR FEEDBACK SO FAR

We've had a lot of really good engagement on the potential expansion of Zespri Global Supply (ZGS) since the launch of the discussion last month. It's been great to see so many growers get involved.

By early July, we will have held 14 Shed Talks and many more grower discussion groups and workshops, covered the issue at Fieldays, roadshows and several grower entity meetings, and met with a large number of growers in smaller groups. Our grower survey will also shortly be collecting more feedback, and there's much more to come.

Generally speaking, there has been strong support from growers for the 12-month supply strategy, but also lots of good discussion and questions around:

- A recognition of the need to respond to the increasing competition which is filling the gap left when New Zealand fruit is not in the market, with a desire for more information on this.
- Good understanding around the benefits of ZGS, including how it supports grower returns, protects our best shelf space and builds our brand, but also a strong desire to understand its impact at an OGR level.
- Support for more frequent smaller approvals for hectares, as opposed to releasing lots at once.
- Growers would like enhanced reporting on ZGS to help ensure they're well informed and understand what's happening in market. This includes around the transition between seasons, fruit quality, and consumer perception.
- Growers are seeking reassurance around how ZGS fruit is perceived in market and to ensure quality supports and does not risk the brand.
- Certainty that New Zealand fruit will always be prioritised and that supply will not exceed demand to ensure ongoing strong New Zealand OGRs. There is particular interest around the shoulder seasons as we transition from New Zealand to ZGS supply and capturing maximum shelf space for the New Zealand season start.
- There was strong feedback around the need to connect with as many growers as possible, including those who are not attending events like roadshows and Shed Talks.

- There's also demand for more information on the nuts and bolts of ZGS things like growing conditions and orchard performance, how we select and license growers, and also how we enforce our PVR.
- Growers feel a lot more confident and optimistic than during the last vote.

WHAT HAPPENS NOW?

Our plan is to continue to respond to your questions and feedback as we progress the discussions through to August. After that, we will come back to you with a draft proposal based on your feedback, with a resolution to be focused around three key areas:

- The proposed number of hectares for expansion (taking into account forecast demand, estimated fruit production, and the number of trays these hectares could produce over time)
- 2. The approval period i.e. when we would be coming back to growers seeking permission for any further expansion
- 3. What annual reporting growers want to see on ZGS to help ensure growers feel informed on its performance.

Proceeding to a Producer Vote will depend on grower support for the draft proposal.



FAOS

Some of the most commonly asked questions and responses to the issues most often raised are laid out on page 2 of this issue of *Kiwiflier* with further information available on key areas of concern like quality and competition. There is also much more information available on the ZGS page on Canopy, as well as a feedback form – please do take the time to have a look and use the form to submit any questions or feedback.

We encourage all growers to keep an eye on *Kiwiflier* and Canopy for future updates.

KEY NUMBERS

We've had ZGS for

MORE THAN 20 YEARS.

We have around **1,800** ZGS growers, some of them have grown for Zespri since 2002.

We have **5,000 HECTARES** of SunGold currently approved, with all of those planted, grafted, or allocated.

We sold **27 MILLION TRAYS OF ZGS FRUIT** in the 2023/24 season (19.5 million SunGold and 7.15 million procured Green).

The average yield across our ZGS locations is around **6,500 TRAYS PER HECTARE** for mature orchards. We hope to hit **9,250** over time.

The unmet forecast demand gap is huge – based on Zespri projections, it'll be **60 MILLION TRAYS** by 2033 with no further plantings:

- We're currently meeting 71% of demand for SunGold during the ZGS season
- If we don't plant more hectares, we'll only be meeting 42% of demand in 2033.

Our competitors increased their share for Gold from 42% TO 46% between 2021/22 and 2022/23 in our six core European markets.

There are planting constraints in ZGS locations - we can expand by between **350 & 450 HECTARES** per year, working with the best growers in the best orchards.

Projections suggest that competition will continue expanding at a rate of **15% PER YEAR** over the next three-to-five years.



Hi everyone,

It's been really humbling receiving your messages in recent weeks as I end my time as Zespri CEO.

My career started from a chance encounter with someone from the company in Tokyo looking for a new assistant operations manager in Japan more than 21 years ago, and in the years since I've had the privilege of working together with so many talented people across our industry to deliver real value to growers, our communities, and our many stakeholder groups.

Together, we've continued to build Zespri into a world-leading fruit brand, helping attract new consumers by providing the world's leading green, gold and red kiwifruit.

It's been so rewarding playing a role in that growth to help support many longstanding growers, but also see the value creation attract the next generation of growers who are bringing some fantastic new ideas to our industry.

We have a post-harvest sector and supply chain that is increasingly data and technology-driven, helping support our ongoing commitment to providing consistently great-quality fruit and transparency of our operations throughout the season

And we have world-leading sales and marketing teams with the expertise to help keep demand ahead of supply and make the most of the opportunities we have to grow our presence in the global fruit bowl.

Our success has been driven by the passion and dedication of everyone involved in our industry.

That includes the hard work undertaken by our team at Zespri who I will so very much miss.

The culture we've built based on our values of kaitiakitanga and guardianship, of being results driven and investing in personal connections to build strong relationships, has allowed us to unite our diverse global team with the shared purpose of helping people, communities, and the environment thrive through the goodness and growth of our kiwifruit.

I know that Nathan and Jason will ensure this culture evolves over the coming years in a way that allows the team at Zespri to deliver great value to the industry

The collaborative approach we've adopted has allowed the industry to rise to the many challenges we've faced over many years, including responding to Psa, working our way through the COVID-19 period and the quality challenges of 2022 and supporting each other in the face of punishing weather events.

This will continue to serve us well, but we cannot get complacent.

The rest of the world is watching every move we make, and there's increasing competition as others capitalise on the value we've created.

The competition won't stand still, even if as an industry we choose to.

We will succeed by continuing our investment in our brand, building a future-fit supply chain, and further developing our innovation focus and platforms to keep us ahead of the rest.

Thank you all for the endless support, friendship, and advice and I wish you well for the years ahead, knowing that the best is yet to come.



ZGS: FREQUENTLY ASKED QUESTIONS

WHO ARE OUR COMPETITORS AND HOW MUCH OF A THREAT ARE THEY?

Competition is strengthening and taking market share whether that be other premium fruits or other kiwifruit brands. Across the board we're seeing better quality offerings, more investment in store visibility (retail/channel marketing), and more brand/media investment to attract more consumers. Within kiwifruit, we see the likes of the European Kikoka consortium promoting their plans to increase hectares of gold in Europe and the Southern Hemisphere as they also seek 12-month supply. Jingold, an Italian consortium, has a full portfolio of kiwifruit and claims their Jintao variety is the 'world's number one yellow kiwi'. Their packaging is prolific on shelf and they've invested in a partnership with Marvel for their smaller kiwi packs. Competitors are investing to increase production and build brands and to take market share. You can find more information on page 8 of this issue of Kiwiflier.

WHAT'S IN THIS FOR GROWERS? HOW MUCH PER TRAY?

We're working through that modeling now and will provide this shortly. Some of the financial benefits can be quantified – we know for example in Europe this year we spent 48 percent of our A&P investment between May and July to support a strong season start and to regain awareness, reminding consumers that Zespri Kiwifruit is back on the shelf after leaving a gap between ZGS and New Zealand fruit. This early-season investment is also needed to mitigate the potential downside risk of losing our retail position and price premium, but it prevents a more even spread of investment to drive sales right through the season so there is an opportunity cost.

Some benefits like supporting the building of the brand and protecting the best shelf space and our premium pricing are more difficult to quantify but do drive grower returns. ZGS helps us maintain our position as category leaders and supports our ability to deliver strong value to you.

WHY WOULD WE TAKE THE RISK OF PLANTING OFFSHORE?

Our ZGS business has been operating for more than 20 years and in that time helped us to grow the Zespri brand and the value we return to growers today. There are risks in any business, but we have extensive experience in managing these and the risks of not acting are more significant as we cede more shelf space to competitors. More information on risks can be found on Canopy.

WHERE ARE YOU PLANNING TO EXPAND?

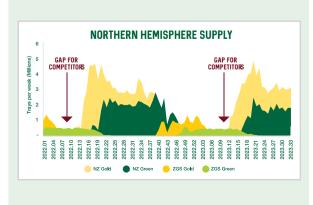
In our existing production and procurement locations of Italy, France, Japan, Korea, and Greece only.

DOES THE POTENTIAL EXPANSION BEING DISCUSSED INCLUDE CHINA?

No

WHAT HAPPENS IF YOU FLOOD THE MARKET?

There is very little risk of oversupply and we are well short of demand in the ZGS season. Every year Zespri reviews market demand with a focus on keeping a supply:demand balance that will continue delivering strong returns for growers. That guides the amount of licence we release to ensure supply remains below forecast demand. At the same time we invest heavily in building demand. The success of this strategy is reflected in the increasing appetite for Zespri Kiwifruit and the value returned to growers. Any additional hectares would be planted on a staged basis, with planting capacity estimated at around 450 hectares per year also allowing us to monitor demand.



WHAT IS THE LICENCE MODEL FOR ZGS AND WHY IS IT DIFFERENT?

The model in ZGS countries is different to New Zealand, whether it's Zespri or other fruit companies. Other companies only charge a small amount per plant and auction-like systems do not exist. Given we have had to actively work to find ZGS grower partners over many years to produce our required volumes, the upfront cost of purchasing licence was a barrier to our efforts to attract growers to complement New Zealand supply. ZGS growers are not able to buy SunGold licence, they do not own it and they can't sell it and they operate under a different commission structure to New Zealand growers. How we allocate hectares for future varieties in New Zealand will be a discussion with growers as the Kiwifruit Breeding Centre delivers on its purpose of developing new varieties faster.

CAN WE ACTUALLY GET TO 12-MONTH SUPPLY? CAN ZGS SUNGOLD LAST THROUGH TO NZ SUPPLY RETURNS?

We don't have the volume – we aren't meeting demand and the fruit sells through quickly given we are so short of supply. However, based on storage trials of ZGS SunGold we do believe we can achieve 12-month supply over time with key customers in key markets in the same way we have for Green. Being able to deliver high quality fruit in the back end of the ZGS season will also allow us to further stand out from our competitors, supporting our efforts to build a premium. Even then, New Zealand fruit will always be the priority.

AREN'T WE BETTER OFF BEING SEASONAL LIKE BLUFF OYSTERS AND STRAWBERRIES?

With the high level of competitive kiwifruit varieties that we are now seeing, staying seasonal will erode the high value that we achieve when New Zealand kiwifruit comes back into the market in May.

One of our core marketing pillars is to position kiwifruit as a fresh produce that delivers health and wellbeing benefits to consumers. When we build demand we also build the value consumers see in kiwifruit which we want them to include in their everyday diet. This approach drives consumption at scale, which in turn increases demand. Because of this demand, kiwifruit is becoming a 12-month category. Our retail partners and consumers want kiwifruit on their shelves and in their fruit bowls all year. When New Zealand Zespri supply isn't available, they are buying from our competitors who are investing to take that opportunity. Once competitors have that prime shelf space, we need to work hard to get it back for the New Zealand season.

Finally, seasonal items are typically fresh and local, so a move to seasonality in kiwifruit is more likely to benefit Northern Hemisphere growers at the expense of New Zealand supply being sold out of season.

WHY ARE YOU TALKING ABOUT HECTARES AND NOT TRAYS?

We are providing information on yields and forecast demand in trays so growers can see how this relates to the need for more hectares, acknowledging that New Zealand growers do think in trays. The resolution will focus on hectares because we contract Northern Hemisphere growers by hectares not trays, because yield fluctuates and varies between and within growing regions which can make it difficult to predict future volumes. It's the same concept we apply in New Zealand when we estimate market demand at a certain return, then estimate production, and release licensed hectares accordingly. Annual reviews of production forecasts will ensure that supply will never exceed forecast demand.

WHAT ARE ZGS YIELDS AND WHAT IS THE GROWING ENVIRONMENT LIKE?

We have a range of performances across ZGS orchards, with some getting production similar to New Zealand and others significantly less. The average yield across our ZGS locations is around 6,000 trays per hectare for mature orchards, with an ambitious target of 9,250 trays per hectare by 2033. The growing environment is more challenging with hot summers. Temperatures can reach up to 40 degrees and several weeks with averages of around 35 degrees are common. This means all growers must have irrigation systems in place. In many regions late frosts often occur and growers need frost protection systems in place. Hail nets are also crucial as hail is frequent over the summer period.

Hydrogen Cyanamide use is not permitted both in Italy and France meaning growers need to use different techniques to ensure sufficient budbreak, particularly in the southern regions. Nets are also used to protect the fruit from pest pressure such as Brown Marmorated Stinkbug (BMSB). Ultimately soils are quite different if compared to New Zealand - organic soil content is often between one and three percent, requiring more careful management of soil fertility and drainage to avoid root stress.



One of the most commonly asked questions from growers during the discussion around expanding our ZGS SunGold plantings is around the quality of the fruit.

The questions generally focus on how it compares to New Zealand SunGold, how Zespri manages the quality, how it is perceived by consumers, and ultimately whether it supports efforts to build the brand or puts it at risk.

Zespri's Chief Marketing, Innovation and Sustainability Officer Jiunn Shih says Zespri quality standards are the same whether it's New Zealand supply or ZGS.

"Having a global approach to quality ensures that ZGS fruit is supporting, not undermining, our premium position and pricing.

"We're focused on this as quality is critical to the Zespri brand and our ability to attract consumers, driving trial and repeat purchase and supporting strong pricing to create value for growers. It's critical that we get that right and the research shows that we are," says Jiunn.

"Our research shows that while consumer perception of ZGS SunGold quality might be slightly below New Zealand Supply in some years, it's still significantly better than our competition and the best available competitor kiwifruit in the market at the time."

"It also scores around the same for taste in consumer sensory testing, and it helps us build a reputation for quality which means consumers see value in Zespri Kiwifruit."

All Zespri Kiwifruit produced or procured by ZGS has equivalent quality standards, auditing systems, and compliance requirements to New Zealand fruit. These are set out in the grade standard manuals and cover all aspects of fruit quality specifically external and internal color, shape and weight, dry matter, and defects, and the fruit must meet these standards to be accepted.

"Our customers, distributors and retailers, purchasing Zespri Kiwifruit have the same quality and compliance expectations regardless of the supply origin. While New Zealand fruit scores higher in customer satisfaction than ZGS fruit, we consistently meet the expectation of customers with both," Jiunn says.

"ZGS fruit has been part of the Zespri brand for more than 20 years and has played a role in Zespri becoming one of the world's leading fresh produce brands and it will continue to do so moving forward.

"Having more ZGS fruit to support the growing New Zealand volume will allow us to continue to build the Zespri brand, secure the best shelf space, support strong pricing, and ultimately deliver high value to New Zealand growers."

"HAVING A GLOBAL APPROACH TO QUALITY ENSURES THAT ZGS FRUIT IS SUPPORTING, NOT UNDERMINING, OUR PREMIUM POSITION AND PRICING."

- JIUNN SHIH.





MANAGING THE ZGS TO NEW ZEALAND SUPPLY TRANSITION

During the discussions on ZGS, growers have asked about the transition between New Zealand and ZGS seasons, with some raising concerns about how more ZGS fruit might impact New Zealand returns.

Zespri Chief Executive Officer Jason Te Brake says prioritising New Zealand fruit is the key principle of the season transition.

"Zespri is owned by New Zealand growers with a mandate to maximise value for you – every decision we make is focused on doing that, including prioritising New Zealand fruit sales.

"We also report on this to industry regulator Kiwifruit New Zealand every year," says Jason.

"We are typically exiting with ZGS SunGold in February and while we want to extend this, we do not have New Zealand SunGold in market until late April.

"While storage trials have shown we do have the ability to extend the sales season for ZGS SunGold, we are so short of supply relative to demand the fruit is selling through too quickly to allow for this."

"We have heard that some KiwiStart growers have questions about whether KiwiStart volume will still be required if ZGS expands. The answer is yes. KiwiStart fruit in May is critical to kick starting the New Zealand supply window and will still be required.

"I'm offshore meeting with customers at the moment and the feedback from them is clear – they want our fruit and they need it to compete. We need to find a way to fill that gap," says Jason.



Jason notes annual market allocations are based on the principle of prioritising New Zealand fruit, with Zespri taking into account things like seasonal performance in market, customer demand, supply by size, and transit times to try and reduce the gap between ZGS fruit selling out and New Zealand fruit arriving. This is also important for minimising disruption in our markets and maximising the impact and efficiency of our sales and marketing spend.

We also consider returns by week late in the New Zealand season as cost of quality exponentially increases over time and we optimise this for New Zealand growers before transitioning to ZGS.

"...THE FEEDBACK FROM CUSTOMERS IS CLEAR — THEY WANT OUR FRUIT AND THEY NEED IT TO COMPETE. WE NEED TO FIND A WAY TO FILL THAT GAP."

- JASON TE BRAKE.

"Having more ZGS fruit would make this more effective," says

"However, we know the transition is a concern for some growers who want reassurance their fruit will be prioritised.

"It always will be, and as part of the ZGS expansion discussion we are also discussing with growers what reporting you would like to see to give you more confidence in ZGS - the transition between seasons is something we can provide information to industry on every year.

"The bigger risk if we don't expand is not being able to influence these season transitions and handing that opportunity to competitors," says Jason.



AUG 21

WHERE: Mercury Baypark, Mount Maunganui

WHEN: Wednesday 21 August, 1 pm

We're looking forward to connecting with growers at our Annual Meeting. However, if you can't make it in person, shareholders may also attend online and will be able to ask questions and vote remotely.

Our 2023/24 Annual Report and the formal Notice of Meeting, as well as Proxy Forms will be made available to shareholders in July.

If you wish to receive a hard copy of the Annual Report, please complete the request form on Canopy.

VOTING

Shareholders may vote at the meeting in person, appoint a proxy to attend and vote on their behalf, or vote in advance. Advance voting (online or by post) and proxy appointments close at 1pm on 19 August. Companies and other incorporated entities must appoint a representative as a proxy if they plan to attend and vote at the Annual Meeting.

POSITIVE TURNOUT AT MYSTERY CREEK FIELDAYS

A huge thanks to all those who attended this year's Mystery Creek Fieldays. It was great to be able to connect with well over a thousand growers, family members, post-harvest representatives, and other industry stakeholders who popped into the Zespri grower pavilion.

Zespri Head of Grower and Industry Relations, Glen Arrowsmith says grower feedback was much more positive than in recent seasons, reflecting a significantly better crop following two very difficult years, with harvest conditions and labour supply this year supporting an exceptional harvest.

"Growers were very keen to see how their fruit was arriving in market and Zespri's early progress on selling the fruit.

"We also heard from growers who continue to have challenges, including vine health issues, and we acknowledge this season has still been tough for them.

"This was also a very important opportunity for Zespri leaders to connect with industry and hear what's on their minds, and it was really encouraging to have such a vibrant atmosphere following some challenging seasons," says Glen.

The event also provided a chance for growers and Zespri to connect with other industry stakeholders, including NZKGI, the Kiwifruit Breeding Centre, and Kiwifruit Vine Health.

"We are always reviewing and evaluating events to determine if they fulfil our engagement objectives, and this year's Fieldays certainly did so - providing a 'homebase' for growers, the opportunity to connect with our Zespri team, to be informed on the season, and this year to farewell Dan and hear from our new CEO, Jason," says Glen.













SHARE OWNERSHIP: WHY IT MATTERS

With only 47 percent of New Zealand growers currently holding Zespri shares, it's crucial to align our industry and ensure we can continue to grow in a way which continues to deliver value across the industry.

In 2023 we undertook industry-wide consultation on Zespri share ownership. We gathered a lot of valuable feedback from this process through Shed Talks, share workshops, and surveys, which highlighted the importance growers place on share alignment and the need for a clearer understanding of Zespri shares.

Many expressed that this area often lacks priority for growers or is seen as unaffordable after covering orchard costs. Based on grower consultation in 2023, we ended up with a list of potential initiatives to address share alignment. Some of these initiatives were less complex and disruptive to implement than

When considering which ones to begin our share alignment journey with, we aligned with the key principles growers told us were important to them, which included:

- Zespri should be owned and controlled by current New Zealand growers
- · The aspirational level of ownership is 100 percent participation to 1:1 alignment
- Growers should have the choice to own shares (no
- · Encourage share ownership with options that don't require upfront capital outlay
- Consider the impact on current shareholders
- · Any share initiatives need to be simple/easy to participate in and understand.

WHAT'S BEEN IMPLEMENTED SO FAR?

We have already rolled out initiatives to address some of feedback around making the concept of share ownership more easily understood. These include:

- 'Shares 101' workshops
- Expanded 'shares' page in Kiwiflier
- 'Shares 101 Journey' and videos on Canopy
- A 'Shares Availability Board' to facilitate off-market trading.

UPCOMING INITIATIVES: LOYALTY AS SHARES AND DIVIDEND PAYMENTS **AS SHARES**

After significant discussion with the Zespri Board and industry groups, the following initiatives are planned for mid-2025.

- Loyalty as Shares
- Dividend payment as Shares

You cannot currently opt-in to the initiatives. Opting-in to these initiatives will be available in May 2025 when the offer documents are released. The offers to participate will be made in accordance with the Financial Markets Conduct Act.

A share buy-back is being considered to support the Loyalty as Shares and Dividends as Shares initiatives, but timing and scope are contingent on an IRD binding ruling currently underway.

The loyalty payment is currently made in two instalments (January and June following the year of harvest), typically paid directly to you from your post-harvest entity.

Starting with the 2024 crop, all growers will receive their first instalment in January 2025 directly from Zespri, with the option to opt-in to receive their second instalment in June 2025 as Zespri shares. You will no longer receive your Loyalty payment from your post-harvest entity.

At this stage of the process, the only thing 2024 season crop owners need to do is update your bank account details and GST numbers via the Industry Portal once you receive an email from us. We will communicate more on this process over the coming months with those who are eligible.

Under the revised loyalty agreement, the loyalty premium will be calculated across Free on-Board Stowed (FOBS) trays, but actually paid across all trays submitted. This has the effect of spreading the premium and the fruit loss risk across all trays that make it into submit.

While the impact on average is very small, paying on submit trays makes a bigger difference to growers who ship later and who have much higher fruit loss percentage than the season average. This revision does not change the total value of loyalty paid out and was agreed by the Industry Advisory Council in February 2024 for loyalty payments from January 2025.

Any grower who has had a change to their grower number will be communicated with separately and will receive a new Loyalty contract to complete. All others who have had the same Grower number, i.e., 1234/5 (the fifth digit after their KPIN) will just roll over and are not required to re-sign a 2024 season Loyalty

Since we are now paying all growers directly for loyalty, we need to collect your bank account details to ensure timely payment of the first instalment in January 2025.

LOYALTY AS SHARES & DIVIDEND AS SHARES **PROPOSED TIMELINE** JULY - DECEMBER 2024 Zespri requests growers to provide their bank account details for January 2025 loyalty payment. Loyalty Payment 1 – paid in cash direct to growers.

Zespri issues Loyalty as Shares/Dividends as Shares offer documents. Growers may decide to opt in to share

Loyalty Payment 2 (cash payment for those not opting in for Loyalty as Shares).

Dividend record date (2 weeks prior to dividend payment).

Zespri issues shares in lieu of Loyalty Payment 2 (Loyalty as Shares).

Zespri issues Dividend as Shares (Dividends as Shares (those who opt in) and Cash Dividend (all others not

Zespri reserves the right to change these dates.

WHAT DO I NEED TO DO RIGHT NOW?

Simply provide your bank account details, GST number, and proof of account to us when you receive the email instructions from Zespri.

We have developed an easy-to-complete online form where growers can enter their bank account details, GST number, and proof of account via the Zespri Industry Portal.

We will email growers who supplied us with a crop in 2024, providing a step-by-step guide on how to complete this process on the portal. In the meantime, the step-by-step guide can be found here: https:// canopy.zespri.com/content/dam/new-canopy/nz/en/ documents/basic/business/contracts/update-yourbank-account-and-ast.pdf

Additionally, our Zespri Support Services team will be available to assist if needed on 0800 155 355.

THREE NEW VARIETIES APPROVED TO ENTER **PRE-COMMERCIAL TRIALS**

The Zespri Board has approved two more green varieties and a gold variety to enter pre-commercial trials.

Pre-commercial trials are the last stage of trial before a commercialisation decision. Trials are conducted on growers' orchards and follow extensive evaluation on Kiwifruit Breeding Centre (KBC) research vines. These new precommercial varieties will be grafted this winter.

The Board's decision to progress these cultivars underscores our ongoing commitment to innovation as we work with the KBC to advance new green, red, gold and novel cultivars such as Kiwiberries through the trial programme. Promoting additional green cultivars into pre-commercial alongside the existing greens already in trial further increases the probability of successfully commercialising a new highly productive green. Promoting a new gold variety to pre-commercial trials is part of our effort to explore a cultivar with seasonal timing that could provide post-harvest and other performance advantages.

These cultivars add to the green, red, and Kiwiberries already in pre-commercial trials.

All cultivars undergo detailed trial and R&D programmes spanning from orchard to consumer.

The existing greens were grafted in 2022 and have produced their first crop this year. With an estimated five-year trial time frame, we anticipate a commercialisation decision for a new green around 2027. The red trials were grafted in 2023 and will produce their first crop in 2025.

Recent highlights include the successful harvest and packing of green and red varieties from KBC research orchards and trialist blocks, the commencement of storage trials, the completion of recent in-market sensory work for reds, and upcoming in-market sensory work for greens, and the start of grafting for Kiwiberry trialists in the Zespri MBIE Kiwiberry Programme.

Chief Marketing, Innovation and Sustainability Officer Jiunn Shih says moving more new cultivars into the pre-commercial stage is another step forward for our breeding and trial programme.

"The pre-commercial trial phase is essential for testing their performance in real-world conditions and ensuring they meet our high standards.

"We're more committed than ever to innovation and quality - with competition in kiwifruit and fresh produce in general increasing, we're focusing on delivering high-quality, sustainable kiwifruit, and we'll continue to see more and more new cultivars enter pre-commercial trials in the near future with the ultimate aim of having more and better cultivars available to growers commercially," says Jiunn.

Another recent highlight has been the EPA decision regarding hydrogen cyanamide and its potential impact on our pre-commercial trial programme. While it's a relief for the industry that the EPA ruled in favour of not banning hydrogen cyanamide, it's important to continue our research into cultivars that can perform well without it in an ever-changing environment. Our Future Innovation and Pre-commercial Team acknowledges the importance of capturing hard data on how new cultivars perform with and without hydrogen cyanamide and is continuing to develop our trial and R&D programmes to capture and report these important learnings.



INAUGURAL ZAG INNOVATION FUND PILOTS ANNOUNCED

Zespri is excited to announce the first three pilots from its new innovation fund, ZAG. These pilots will focus on the colour of RubyRed, the tracking of kiwifruit bins, and the use of biochar on kiwifruit orchards.

The US \$2 million annual fund launched late last year is designed to attract innovative problem solvers to help address some of the key challenges the industry faces as it meets the growing demand for kiwifruit.

An Innovation Steering Committee chaired by Zespri's Chief Marketing, Innovation and Sustainability Officer Jiunn Shih has been evaluating ideas submitted by prospective solution providers which support projects that are focused on four core priorities for Zespri: (1) Initiatives that are good for kiwifruit; (2) Initiatives that are good for people; (3) Initiatives that are good for the environment; (4) And initiatives that foster a thriving kiwifruit industry.

The first solution selected to move into the pilot phase involves Zespri evaluating the consistency of the colour of its RubyRed Kiwifruit, which is in its third year of commercial production.

"There's strong demand for Zespri RubyRed Kiwifruit which is popular amongst consumers who love the distinctive taste, colour and health benefits - although they've told us that the red colouring of the fruit can sometimes be inconsistent," says

"In response to this feedback, our pilot will explore ways we can have better visual consistency with RubyRed that will encourage the fruit to produce more of the natural anthocyanins that cause the red fruit colour.

"As our newest kiwifruit variety, we continue to build our knowledge so we can meet the strong demand we are seeing with this six-month pilot involving one RubyRed orchard."

The second pilot is centered around improving the traceability of kiwifruit harvest bins with GPS devices.

Each bin will have a unique location identifier with tracking information collected and displayed to users on a software

Jiunn says this 12-month pilot is designed to help improve the challenge of efficiently managing bins in the supply

"Having a record of real-time harvest bin movements within or between regions is also important in the event of a biosecurity incursion that affects fruit, such as fruit fly."

Pilot three involves a 12-month field trial of biochar on kiwifruit orchards. Biochar is a carbon-rich material known to improve soil nutrient availability, sequester carbon and improve soil drainage and aeration. While biochar has been used with other crops, this pilot will assess whether it will help improve kiwifruit orchard soil characteristics and therefore possibly improve vine productivity and fruit quality.

Jiunn notes ZAG has been designed to allow Zespri to accelerate its kiwifruit innovation work and broader its efforts through collaboration with global innovators, and an impressive range of ideas has been submitted from around the world.

"The RubyRed colouring, bin tracking, and biochar initiatives have been selected to help us solve some of the specific challenges the industry is facing, and benefit our industry, the wellbeing of our communities and our planet.,"

"We're looking forward to seeing the results of our pilots as we work to find solutions to help shape a thriving world through the goodness of kiwifruit."



NOMINATIONS OPEN!

Nominations for the 2024 New Zealand Kiwifruit **Innovation Award are open!**

Established in 2015 by former Chairman of Kiwifruit New Zealand, Sir Brian Elwood, the New Zealand Kiwifruit Innovation Award recognises people who have solved a problem or created value for the kiwifruit industry through great innovation.

The deadline for this year's nominations is Friday 26 July 2024 and we encourage our industry to nominate those who have made innovative contributions. Nominees must be individuals, not groups, with the criteria being an applied idea to solve problems and create improvements.



NOMINATION FORMS

The nomination form can be found here: Canopy > News > 2024 New Zealand Kiwifruit Innovation award nominations now open.

Please submit nomination forms to corporate.communications@zespri.com.







FROM THE MARKETS

SALES UPDATE

After a great start to the year, global demand for Zespri Kiwifruit remains strong across our markets with sales continuing to track well in the last few weeks leading up to the arrival of more summer fruit.

As of the end of Week 25, 67 million trays or 35 percent of the full season plan has been delivered, compared to 53 million trays this time last year.

We are seeing some positive milestones being reached in our markets such as Japan, which recently celebrated a record nine consecutive weeks of more than one million trays delivered of both SunGold and Green. Hong Kong and Vietnam recorded their highest week of deliveries and Korea achieved a one-million tray sell-out week for the first time.

SunGold run rates are tracking well with 50 million trays or 41 percent of the Class 1 conventional crop and 1.3 million trays (36 percent) of the Class 1 Organic SunGold crop now delivered. This places Zespri in a strong position as we head into the northern summer fruit season which commenced in late June and goes through to the end of August.

The Green season continues to track well after commencing in May with 13 million trays (24 percent) and more than 400,000 trays (12 percent) of the Class 1 Organic Green crop

delivered. Having secured good early volume into markets and supply continuity through harvest, sales of our Green varieties are positioned well at this stage

While we have seen early competitive pressures from additional Chilean Green in the US, our European sales are performing particularly well, putting the market in a strong position as they head into the summer fruit period.



JAPAN: GLOBAL HEALTHY EATING CAMPAIGN LAUNCHED

Zespri has launched a global campaign focused on encouraging people to eat better to help tackle health challenges and improve lives around the world.

The campaign has been launched in Japan with the support of the Japan Dietetic Association, Tokyo Seika – Japan's largest fruit and vegetable wholesaler, and alongside New Zealand Prime Minister Christopher Luxon.

The campaign is focused on improving global health outcomes by encouraging people to swap out one unhealthy food for a serving of fresh fruit or vegetables every day. It has been launched in Japan first, which has some of the lowest consumption of fresh fruit globally, and will then be rolled out across major Zespri markets with a series of impactful campaigns designed to promote positive

Former Zespri CEO Dan Mathieson said Zespri is committed to helping people, communities and the environment around the world thrive through the goodness of kiwifruit and as part of that we want to help the world make healthier eating choices.

"Since 2020 Zespri has supported 26 healthy lifestyle programmes in over nine countries, including nutrition education programmes in schools and working alongside our partners to reach more than one million children but we want to do more.

"While many people know what constitutes a healthy diet – including eating fresh fruit daily, most people do not meet recommended intake levels," said Dan.



L-R: Tokyo Seika President Kota Kawada, Zespri Chairman Nathan Flowerday, New Zealand Prime Minister Christopher Luxon, Zespri President – Asia Pacific Ichiro Anzai and JDA President Dr Teiji Nakamura at the Jaunch.

"The shortfall between the recommended and the actual consumption of fruits and vegetables is directly associated with increased mortality and non-communicable diseases, affecting the wellbeing of people and societies.

"The challenge lies in promoting these healthy, sustainable eating habits - we want to help fix that, supporting people to live healthier lives

One in three in Japanese adults suffer from a nutritional disorder.

"We're proud to be launching the Nutrition Reform Project in Japan and starting a movement to reform nutrition so no one is left behind. It's fantastic to have the support of the Japan Dietetic Association as part of our mission to help people to eat well " said Dan.

Japan Dietetic Association President Dr Teiji Nakamura says the Association welcomes the initiative.

"Improving nutrition is the foundation for creating a society where everyone can thrive, and we are very supportive of Zespri to create a healthy society – let the power of nutrition make people healthier and happier."

New Zealand Prime Minister Christopher Luxon says New Zealand is known around the world for the exceptional quality of its food and beverage products, including Zespri Kiwifruit.

Our companies are also focused on helping to support communities in New Zealand and around the world.

"It's great to see Zespri making such a positive contribution here in Japan, building strong partnerships with growers, retailers and consumers and helping to strengthen the relationship between New Zealand and Japan."

Zespri Chief Marketing, Innovation and Sustainability Officer Jiunn Shih says Zespri Kiwifruit is great-tasting, high quality and nutritious, delivering real health benefits to consumers around the world.

"Kiwifruit is one of the most nutrient dense fruits, and as a brand associated with health we want to help fix that, supporting people to live healthier lives.

"We're committed to fostering lifelong, healthy eating habits so people can live happy, healthy lives, whether they're young or old, and this campaign is another step towards that."

NEW ZEALAND: PAVING THE WAY TO BRIGHTER LIVES THROUGH NURTURING HEALTHY EATING IN CHILDREN

Zespri has partnered with the University of Auckland to conduct the Feel Good Study – one of the world's first intervention studies investigating the relationship between the consumption of fruit and vegetables and children's wellbeing

The 10-week study involved 70 children aged between eight and 10, along with 65 parents or caregivers.

It explored strategies to increase exposure to unfamiliar fruit and vegetables to promote acceptance in children and measured mental and cognitive health outcomes.

These strategies included sensory experiential learning at school, complemented by the delivery of fruit boxes to encourage additional fruit consumption during the day. Meanwhile, the homebased component of the study provided families with weekly vegetable boxes along with recipes and tips.

"We've always been invested in learning more about the nutritional benefits of kiwifruit to human health, but with this study, we sought to dig deeper into the nutritional outcomes of fruits and vegetables as part of a whole diet approach,' says Zespri Innovation Manager – Core Products, Dr Paul Blatchford.

"We investigated areas that have not been studied as much – in particular, wellbeing and cognitive development – to show how choosing fruits and vegetables is not just a nutritional or dietary decision, it is an investment into the wellbeing of the child.

"This study represents Zespri's first step in understanding the tangible benefits to wellbeing, and given the varying nutritional challenges in each market, we plan to go beyond taking this first step and extend this research to future studies in our key markets."

Designed as a feasibility study, the Feel Good Study was able to achieve good recruitment and retention rates and showed promising preliminary evidence including positive changes to diet quality, vegetable intake and behavioural outcomes. The study has set the foundation for larger scaled clinical trials set to take place in China and other key markets in the next few years as we build greater knowledge to encourage sustainable change and cultivate positive eating habits in children in the long run.



Example of a vegetable box delivery to participants' homes with accompanying tips.

NORTH AMERICA AND HAWAII: COLLABORATIVE MARKETING SHOWCASES ZESPRI KIWIFRUIT

In June, our Head of Māori Alliances, Kiriwaitingi Rei led a delegation of Māori growers to Los Angeles and Hawaii on an educational tour focusing on the North America market where they received presentations from our marketers in this region, and met with local distributor Oppys.

Growers had the privilege of visiting hi-tech indoor vertical growing plant, Plenty, to learn about this growing system, and were hosted by expatriate Arama Kukutai. The tour then moved on to Hawaii to support MKGI's launch of their collaborative marketing programme, held at the Prince Waikiki, Honolulu. The launch also coincided with the Festival of Pacific Arts in Culture which included the participation of all island nations in the Pacific. The tour was supported by our Chairman, Nathan Flowerday and President of Europe and North America, Steven Martina.



FRESH CARRIERS CO. LTD. AND ZESPRI'S FIRST BIOFUEL SHIPPING TRIAL DOCKS AT THE PORT OF TAURANGA

Fresh Carriers Co. Ltd. (FCC), one of Zespri's international shipping partners, has successfully completed a trial using biofuel in a charter vessel operating between Hong Kong and New Zealand. The purpose of the trial was to test the performance of the ship's engines when burning biofuel.

The vessel – Kakariki – bunkered the biofuel in Hong Kong at the end of May before starting its voyage south, arriving at the Port of Tauranga in mid-June. It was powered by a blend of biofuel which is made from used cooking oil. The biofuel was bunkered in Hong Kong because there is none available in New Zealand - if and when biofuel does become available in New Zealand it will present more opportunities for Zespri's chartered ships to burn this low-emission fuel.

Zespri Chief Executive Officer Jason Te Brake says the biofuel trial by FCC is a collaborative step forward for the industry as it seeks to decarbonise and future proof through innovative solutions such as low emissions shipping.

"Shipping plays a critical role in New Zealand's export driven economy, carrying 99 percent of New Zealand's trade by volume and around 80 percent by value," says Jason.

Globally, the sector is responsible for around 80 percent of world-wide trade volumes and 70 percent of worldwide trade value.

"Every year we ship our Zespri Kiwifruit to consumers in more than 50 markets around the world," says Jason.

"International shipping accounts for around 43 percent of Zespri's emissions footprint for fruit sold globally – this makes up a larger part of our emissions compared to other primary sector exporters given the low-emissions nature of our product."

Last year, the industry used 57 charter vessel sailings during the season, plus another 13,300 containers, shipping over 619,200 tonnes of New Zealand kiwifruit to our markets.

"With Zespri having limited ability to directly reduce shipping emissions ourselves, we're working with key shipping and distribution partners like FCC to increase the efficiency of our shipping and logistics, and make the transition to low emissions fuels,' says Jason.

"The biofuel trial with FCC is an important step forward and has given us important technical insights, with the Kakariki monitored throughout its journey to make sure the biofuel performed well with no unforeseen technical issues. It's fantastic to see it dock successfully in Tauranga."

FCC Director Toshiyuki Koga says FCC is proud to see the Kakariki, which is the company's first vessel to trial biofuel, arrive safely in Tauranga.

"We have been in discussions with Zespri for a number of months about carrying out this trial and are now looking forward to further biofuel trials using other FCC vessels," says Toshiyuki.

"We are also considering a northbound trial taking Zespri Kiwifruit to market this season.

"Biofuel supply chains are complex and there is still work to be done to ensure stable supply, however this trial is a first step towards decarbonisation with Zespri."



Kakariki at the Port of Tauranga.

Jason says New Zealand's place at the bottom of the South Pacific Ocean means accessing low emissions fuel options is a challenge.

"We are actively seeking partners to shore up access to more sustainable fuels to meet our ambitious targets and the expectations of our customers and consumers.

"It's been positive working with our long term partner FCC recognising the importance of decarbonising and future proofing the industry," says Jason.

"We're pleased to be on the path to introducing low emissions fuels to carry Zespri Kiwifruit to our markets around the world in the future."

INSIGHTS FROM THE CARBON NEUTRAL TRIAL: A KIWIFRUIT GROWER'S DECARBONISATION STORY

In 2022, Zespri established the Carbon Neutral Trial to help the kiwifruit industry learn about how to meet increasing market expectations on reducing carbon emissions. The Trial was made available to all and currently includes a group of 19 growers and three post-harvest trialists. After measuring their baseline and developing emissions reductions plans in season one, grower trialists are now coming to the end of the second season in which they implemented their reduction plans.

WHAT IS THE LATEST CARBON FOOTPRINT OF NZ KIWIFRUIT ORCHARDS?

Using the trialist data, we now have an updated view of the orchard carbon footprint of our New Zealand-grown kiwifruit. This helps us identify the areas to focus on and to respond to the increasing demands from customers to know the carbon emissions of Zespri Kiwifruit.

The average emissions footprint was found to be 4.4 tonnes per hectare for SunGold (19 orchards) and 4.1 tonnes per hectare for Green (eight orchards). Fuel and fertilisers were the biggest sources of emissions (note, Emissions are measured in tonnes of carbon dioxide equivalents (T CO²-e/ha), following the latest global product footprinting standards).

We last measured orchard emissions in 2017, for Green, this was lower at 3.7 tonnes per hectare due to lower fuel and compost use. For more detail on these results, check out the June/July edition of the *New Zealand Kiwifruit Journal*.

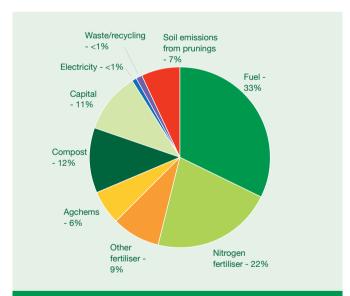
WHAT'S NEXT FOR THE CARBON NEUTRAL TRIAL?

Trialists are now completing season two of the trial, submitting updated data after putting in place the actions from their emission reduction plans. The results will be available for sharing later in the year. Watch this space!

WHAT CAN I DO?

The first step in managing your emissions is calculating your orchard footprint, currently a recommended action in Zespri GAP. Once you've measured your footprint, you can use the Emissions Reduction Plan Template to identify and record actions you'd like to take to reduce your emissions.

Updated versions of these tools will be live on Canopy in the next few weeks. Email <u>carbonneutraltrial@zespri.com</u> to be notified as soon as they are available.



Contribution of different sources to the carbon footprint of New Zealand SunGold orchards in the Zespri Carbon Neutral Trial, for the 2022/23 season.



GROWER TRIALIST Q&A

Jessica and Kaspar Beech have been growing kiwifruit since 2018. They have a SunGold orchard in Paengaroa, bordering the Kaituna River. They live on-orchard with their three children.

Why did you decide to take part in the Carbon Neutral Trial?

We were interested in knowing our carbon footprint, and being new growers thought the Trial could be a good way for us to contribute to our industry.

What did the Carbon Neutral Trial involve?

In the first year we recorded our orchard activities. To do this, we had to time a lot of our contractors working with machines, but once we had that information, it was easy.

We then looked at the data from the first year and decided what we could start changing, thinking about what was easiest to change versus what would have the most impact, and how can we measure the changes scientifically.

We are currently in the second year of the Trial and have been implementing the actions from the emissions reduction plan we came up with.

What changes were included in your emissions reduction plan?

We reduced nitrogen input in fertiliser from 84 kg/ha to replacement level 59 kg/ha, a 30 percent nitrogen reduction. We also reduced

mowing/mulching fuel use by using a ride-on mower to spot mow and leaving grass to grow longer. These changes did not impact production.

What are some of the barriers you've experienced?

One barrier is that the technology isn't widely available yet, like electric tractors and sprayers that fit under kiwifruit vines.

Has taking part in the Trial changed you?

It has changed the way we think about orchard decisions. We now factor the carbon footprint into our decision-making process.

What are your plans for the future?

Being part of the Trial has made reducing our carbon footprint feel possible. It's inspired us to think long-term about our goals and put together some targets to work towards. We would like to first go fossil fuel-free and one day achieve carbon zero.

What's your key take away or advice from the Trial?

There are a lot of big hurdles in our way, and it's going to take time. Work together, share knowledge, build community, and stay passionate!



ZESPRI GLOBAL SUPPLY UPDATE



Véronique Parmentier, Head of Global Market Research.

As we talk more about the potential expansion of ZGS, one focus of the discussion is the activity of our competitors, particularly in Europe. In this article, Véronique Parmentier, Head of Global Market Research, shares an update on the competitive landscape.

In Europe, we're very busy delivering the beautiful quality kiwifruit arriving from New Zealand, and are focused on executing the sales season strongly to create value and deliver strong returns for growers.

At the same time in my role as Head of Global Market Research, I'm focused on generating consumer and market insights to support our efforts to build the brand and drive sales, and from this perspective it's good to see the topic of expanding Zespri's Global Supply operations is under discussion again.

There is no doubt that in the last few years, we've noticed increasing competition across all our markets. Capturing more demand with more supply, while growing willingness to pay through brand growth, is the only way we can both protect current value and continue to grow future value for New Zealand growers in the face of this intensifying competitive environment. We can only capture more demand if we have more fruit to sell. By having more fruit available all year round, we can grow the awareness of Zespri, which ultimately leads to a stronger brand that can stand out in the fruit category and is also better able to maintain a premium price point throughout the year.

THE COMPETITION

When we consider Zespri's competitors, it's important to remember we are not only up against other kiwifruit brands, but we are also part of the total fruit, or 'fruit bowl', category. Zespri is not just taking or losing share to kiwifruit competition, but to other fruit types, such as berries and oranges.



Jingold and Zespri fruit on shelf in Spain next to other premium packaged fruits; in this case, apples.

The fruit bowl is getting more diversified and premium, which creates competition for the best shelf space – critical for attracting more consumers - with all different fruit fighting for space.

Within the total fruit category in our six core European markets, (Belgium, France, Germany, Italy, Netherlands, and Spain), kiwifruit experienced the least growth (+2.3 percent) in volume share within the top 11 fruits from 2021-2022. Avocados (+16.4 percent) and strawberries (+14.1 percent) experienced the most growth, both of which are categorised as premium fruits. This low growth period coincides with a low supply period for Zespri for both New Zealand supply (impacted by weather/quality) and ZGS supply (impacted by KVDS). We need to supply more fruit if we are going to keep pace with the premium fruit category.

There is usually less fruit variety in winter. You have the everyday fruit (apples, banana, and citrus), with a limited amount of variation on top of that. Kiwifruit brings excitement in the category at that moment, especially gold kiwifruit which is seen as one of the premium fruit types, and which appeals to retailers as premium fruit brings higher margins for them. If Zespri is not adding more volume on the shelf, our competition will. In fact, that is what is happening right now.

In those same six markets:

- In the 2020/21 ZGS season (November-April), competitors had 42 percent volume share in the Gold kiwifruit category. By 2022/23, this number had increased to 46 percent.
- During the New Zealand season (May-October) competitors had 10 percent of the Gold category in 2021, and 15 percent in 2023 (noting that 2023 was a particularly low volume year for New Zealand supply), showing the domestic gold kiwifruit is adding also more pressure on our New Zealand supply.

There are two things which make this a challenge and require a response:

- The quality gap between Zespri and our kiwifruit competitors is closing
- 2. Kiwifruit competitors are investing to build brands, expand production, and take market share.

While the quality gap of gold kiwifruit is closing, Zespri still differentiates itself from competition through quality and taste. Since almost half of the volume during the ZGS season is coming from competition, lower quality can have a negative impact on the perception of the kiwifruit category as a whole, which will harm consumer willingness to pay for the category, whatever the season.

One example is Jingold which increased its brand recall (meaning consumers are able to recall Jingold when asked which fruit brands they know) by an average of 131 percent across Belgium, Spain, and the Netherlands in 2022 compared to the previous year (Source: BT, Kantar). They did not significantly lift their media investment, so this increase is most likely explained by more availability and activity in stores.

Recently, Jingold has significantly expanded its kiwifruit plantations. As of early 2024, Jingold has been cultivating around 2,000 hectares of kiwifruit globally, including operations in Italy and other countries such as Chile and China. This growth reflects a commitment to enhancing production and introducing new varieties.



An example of Jingold's investment in packaging and retail activity where they've partnered with popular franchise, Marvel.

"IF ZESPRI IS NOT ADDING MORE VOLUME ON THE SHELF, OUR COMPETITION WILL. IN FACT, THAT IS WHAT IS HAPPENING RIGHT NOW".

- VÉRONIQUE PARMENTIER.

From a consumer and retail partnership perspective, and ultimately to support our ability to create value for growers, it's important we do have more fruit to maintain our position as category leaders.

With fruit consumption on the rise in our six core European markets, and kiwifruit ranked ninth on the list of top fruits by value share, there is a huge opportunity for future growth of our category at high value and the role Zespri can play within it.



GOT QUESTIONS?

Véronique is happy to answer any questions you may have about the competitive environment here in Europe. You can fill in the feedback form on the ZGS page on Canopy, and the team will pass your enquiry to Véronique. The recording of this year's Marketing Showcase also gives a very detailed overview of this and is available on Canopy.



ZESPRI GLOBAL SUPPLY UPDATE

ROADSHOWS HIGHLIGHT ACHIEVEMENTS AND FUTURE PLANS FOR ZGS

Each year in June, Zespri holds its annual roadshows with ZGS growers, reaching eight locations in the main productive regions of Italy and France to discuss seasonal issues and strategy. Around 600 growers joined the meetings this year.

Craig Thompson, Zespri Grower Director and member of the ZGS Advisory Board, shares his reflections from presenting at the events and talking to Zespri's Northern Hemisphere growers.

"I'm a strong supporter of Zespri's Global Supply business, knowing not only the benefits it delivers to New Zealand growers but also how fortunate we are to have such a great group of committed growers in our offshore locations to complement our New Zealand business.

Having worked with many of them including time living in Italy, I know both the challenges they face in terms of the growing conditions but also the opportunity and their constant focus on producing the highest quality kiwifruit and the Zespri brand. As growers, they feel a huge amount of pride in the brand too, and it was great to see so many of them at last month's Roadshows.

As with our New Zealand roadshows, there are always challenges to address but it's also an opportunity to focus on the opportunities in front of us and it was a good year for our ZGS growers. A record 27 million trays of ZGS SunGold and Green were sold in Europe and Asia. The business also made impressive gains in supply chain efficiency, which reduced costs and delivered higher quality kiwifruit to our retailers with all Zespri Kiwifruit produced or procured by ZGS having equivalent quality standards, auditing systems, and compliance requirements to New Zealand fruit. Reduced costs mean more profit delivered to growers and back to Zespri, and higher quality means happier consumers and more demand.









It was great to see strong attendance at our Roadshows in Emilia-Romagna, Lazio, Veneto, and Calabria

Combined, this all saw good returns delivered to our ZGS growers, so overall morale was positive.

I was able to share updates from our strong New Zealand season, to discuss the outlook for the category and also our discussions on a possible future Producer Vote regarding the potential expansion of ZGS. ZGS growers do want the opportunity to plant new hectares so they can grow their businesses. They are seeing competition increasing in Europe – and the other potential opportunities for them – and they want to know how Zespri is responding to this and what role they can play in supplying the quality fruit that will help us protect, and grow, our market position and returns.

It was also great to have the European sales and marketing team join us to emphasise the strong demand and potential

for SunGold, bringing a commercial focus and reiterating the need to hold quality and stay ahead of other gold varieties in the market. This is key to driving returns for both New Zealand and ZGS growers.

In the same way we have seen the New Zealand industry respond to a challenging period, I was really encouraged by the fortitude of ZGS growers emerging from 2022, and their dedication to continuous improvement.

Overall, there was positive support from our European growers, and a lot of parallels with the conversations we have here in New Zealand. A timely reminder that we are all on the same team, invested in the future success of the kiwifruit industry, and Zespri's role as category leader."

ORCHARD UPDATES







ITALY

In Italy, fruit growth is progressing well, particularly in the northern regions. The southern region is facing variable budbreak, particularly in Calabria and Basilicata, which will impact productivity levels.



SunGold orchard in Italy.



FRANCE

In France, vegetative growth and fruit development are progressing well, and discussions are underway with growers around soil and water management, like the recent Bounty Field Day workshop with growers, which received positive feedback. Despite the rainy weather, orchard vigour and canopy conditions are good.



SunGold orchard in France.



KOREA

Korea had ideal weather for pollination this season, leading to successful fruit growth. Fruits are developing faster than last year, prompting growers to start their summer orchard work earlier. Many growers have already completed fruit thinning and canopy management. Zespri continues its expansion of summer plantings, with the ZGS Korea team holding a summer planting Field Day in mid-June to conclude planting the last allocated hectares.



Planting Field Day in Korea.



JAPAN

In Japan, the pollination season has been similar to last year, with some rain but no significant issues. Fruit set and growth are proceeding smoothly, with growers actively engaged in fruitlet thinning and summer canopy management. ZGS Japan has initiated summer Field Days in various regions since mid-June. As the rainy season approaches, plans are in place to check fruit growth in mid-July after the



SunGold orchard in Japan.



ZESPRI IN THE COMMUNITY

ZESPRI DONATES 20,000 MEALS TO THE NEW ZEALAND FOOD NETWORK'S PITCH IN CAMPAIGN

As more and more families struggle to put food on the table, the New Zealand Food Network (NZFN) has embarked on a mission to (virtually) fill Auckland's iconic Eden Park with meals by World Food Day 2024, and they're asking food businesses and the public to pitch in with bulk food donations and financial donations to reach this goal.

The NZFN is a non-profit organisation dedicated to reducing food waste and addressing food insecurity.

CEO Gavin Findlay has expressed gratitude for Zespri's generous financial contribution which is equivalent to 20.000 meals.

"We are thrilled to have Zespri's support for the Pitch In campaign and their donation of 20,000 meals takes us

from the first ten metre line, to over the halfway line to the next 10-metre line," says Gavin.

"This significant donation will make a difference in the lives of those facing food insecurity. It's inspiring to see companies like Zespri stepping up to address this important issue."

Zespri Head of Global Public Affairs Michael Fox says Zespri is committed to supporting our communities and is delighted to contribute to initiatives like NZFN's Pitch In to ensure high quality, healthy food is getting to those who need it

The 20,000 meals donated by Zespri will be distributed through NZFN's network to those in need, targeting grower regions in New Zealand ensuring its donation supports its growing communities.



ZESPRI PARTNERS WITH DAILY CHARITABLE TRUST TO FEED STUDENTS IN NEED

Zespri and the Daily Charitable Trust have begun a partnership this year to provide 2,500 school lunches to hungry students in need in and around the Te Puke area.

Not every child who needs a lunch in Te Puke schools is funded by the Government's Ka Ora Ka Ako School Lunches Programme. So, The Daily Charitable Trust has stepped in to feed, every school day, 200 students enrolled in Paengaroa, Pongakawa, Te Ranga, and Fairhaven, adding up to 49,000 extra lunches per school year. These students are identified by their schools as needing this extra support to continue their learning through the day. Each healthy hot or cold meal is delivered to school and is served with a side of fruit or yoghurt.

The partnership with the Daily Charitable Trust is part of Zespri's community investment programme which embodies Zespri's commitment to helping people, communities and the environment thrive through the goodness of kiwifruit



IF YOU'D LIKE TO BE A 'LUNCHBOX LEGEND', SCAN THIS QR CODE TO DONATE.



HELPING GROW THE NEXT GENERATION OF SURF LIFEGUARDS ACROSS THE EASTERN REGION

Zespri is proud to have sponsored another year of Intermediate Lifeguard School for the eastern region.

This programme is designed to provide junior surf lifeguards with the skills and knowledge to develop as lifeguards. It is delivered via a two-day camp and is a great opportunity for junior surf lifeguards to become more confident and capable surf lifeguards.

This year, 24 candidates participated from across the eastern region. Of the candidates, three were recognised for their efforts with the top female award going to Isla McNulty, the top male award going to Richie Wood, and the spirited award going to Danielle Ellery. The overall result is building stronger clubs and better surf lifeguards across the eastern region, encompassing Coromandel, Bay of Plenty, the East Cape, and Gisborne.

Jake Armstrong who took part in the training last year and returned recently as a mentor in the



"It mixes theory with hands-on practice, pushing you out of your comfort zone and encouraging you to think innovatively.

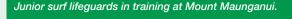
"I found it invaluable not only for honing my abilities but also for building lasting relationships within the surf lifesaving community," says Jake.

"Returning as a mentor, having the opportunity to lead one of the groups, and being able to share my knowledge and experience with others was incredibly rewarding - I can't wait to see how they apply their new skills in the future.

"It's also comforting to know that our communities will be a lot safer with these well-trained surf lifeguards watching over beachgoers during the busy summer months."













SHARES UPDATE: JUNE

WHAT'S HAPPENING IN THE MARKET

BIDS (BUYERS)					
Orders	Quantity	Price (\$)			
1	20,000	\$4.40			
1	3,000	\$4.40			
1	20,251	\$4.35			
1	3,000	\$4.30			
1	27,835	\$4.20			
1	5,000	\$4.00			

OFFERS (SELLERS)				
Orders	Quantity	Price (\$)		
1	20,000	\$4.50		
1	3,792	\$4.50		
1	3,000	\$4.60		
1	28,551	\$4.60		
1	3 000	\$4.70		

LAST 10 TRADES					
Date	Quantity	Price (\$)	Value (\$)		
20/06/2024	10,000	\$4.50	\$45,000.00		
19/06/2024	2,200	\$4.50	\$9,900.00		
17/06/2024	4,445	\$4.50	\$20,002.50		
13/06/2024	17,263	\$4.50	\$77,683.50		
07/06/2024	17,737	\$4.50	\$79,816.50		
04/06/2024	7,000	\$4.50	\$31,500.00		
29/05/2024	10,000	\$4.50	\$45,000.00		
20/05/2024	31,083	\$4.50	\$139,873.50		
16/05/2024	25,600	\$4.50	\$115,200.00		
16/05/2024	9,969	\$4.50	\$44,860.50		

WANT TO DISCOVER MORE?

To get a list of the price for

current buyers and sellers, Market

depth, last 10 trades, and market announcements go to

http://www.usx.co.nz. The Zespri

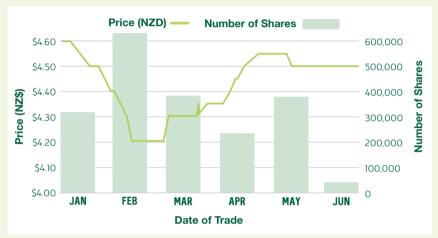
Group Limited listing code is 'ZGL'

Follow us on **reap** for our

mobile IR experience

Go to www.reapapp.io to download the app.

ZESPRI GROUP LIMITED SHARE TRADES: JANUARY 2024 TO JUNE 2024



The graph above shows the price per share that has been traded with USX and the total number of shares traded.

Note, prior versions of Kiwiflier contained an error in the above graph for the number of shares traded for January. This has now been corrected.

AS AT 21 JUNE 2024

SHARES AT A GLANCE

OVERSHARED SHARES REQUIRED TO BE SOLD - JULY



The Constitution requires shareholders who are over their share cap (overshared) to sell their excess shares three years after the date they exceeded their share cap.

DRY SHARES CONVERTING TO B CLASS - JULY



The Constitution states that Dry Shareholders (growers who no longer supply Fruit to Zespri) will cease to receive dividend payments three years after becoming Dry and will be converted to B class shares.

TOTAL NUMBER OF CLASS B SHARES AS AT 21 JUNE 2024



This is the number of shares that are no longer eligible for dividend payments.

DIRECTOR SHARE TRADING AS AT 21 JUNE 2024



Shares traded by entities associated with Zespri Directors.

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 website will always provide the most up to date information held by Zespri.

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OUR SHAREHOLDERS

Shareholder Producers
Non-shareholder Producers



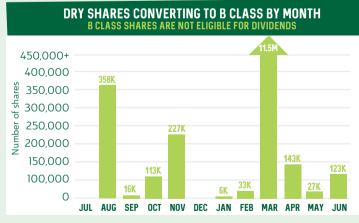


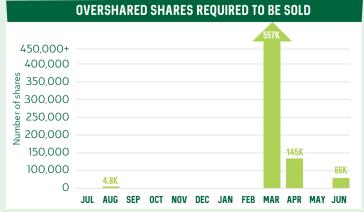
DRY AND OVERSHARED SHARES





DISCLAIMER: The above figures are a snapshot in time and are subject to change at any time due to shares being traded.





on the Zespri Canopy website will always provide the most up to dat

WHO CAN PURCHASE SHARES?

Our current producers are eligible to purchase shares in Zespri. The share entitlement for each landowner and lessee of a current producing orchard is calculated based on the historical production of the orchard(s). Contact us if you would like more information about your share entitlement.

OFF-MARKET TRADING

This is a share trade that does not involve a broker. The buyer and seller will agree on a price, complete an Off-Market Transfer form and return this to Zespri for processing.

ON-MARKET SHARE TRADING

Your broker will assist you to register your account with them and trade on your behalf through the Unlisted Securities Exchange (USX) platform. Once you are registered, they take care of most of the paperwork for you.

CHOOSE A USX-APPROVED BROKER











SHARES AVAILABILITY BOARD

The Shares Availability Board on Zespri's Canopy website is a place for sellers to advertise their shares for sale, and for buyers to advertise their interest in purchasing shares. This board is solely for matching buyers with sellers. Zespri will not be involved in matching parties or setting a price for the sale of shares.

There are currently no shares listed for sale, and there are eight buyers seeking 488,000 shares on the Shares Availability Board (link website).

You can register your shares for sale, or your interest to buy shares at the following link: https://canopy.zespri.com/full/dashboard/supply-and-operations/your-orchard-business/shares-availability-board

If you don't have access to the Canopy as a dry shareholder, please get in touch with the Zespri Shares team.

2024/25 PROGRESS PAYMENTS FOR JULY AND AUGUST

CLASS 1 - APPROVED PROGRESS PAYMENT 15 JULY 2024	AVERAGE ON NET SUBMIT	16/18/22	25/27	30/33	36	39	42	46
Zespri Green	\$1.08	\$1.00	\$1.40	\$1.40	\$0.90	\$0.90	\$0.25	No supply
Zespri Organic Green	\$1.95	\$2.00	\$2.20	\$2.30	\$1.90	\$1.90	\$1.70	No supply
Zespri Gold3	\$1.78	\$2.00	\$1.75	\$1.65	\$1.70	No supply	No supply	No supply
Zespri Organic Gold3	\$2.50	\$1.35	\$2.05	\$3.05	\$3.60	No supply	No supply	No supply
Zespri Red19	\$11.75	\$14.50	\$13.50	\$14.50	\$13.55	\$13.55	\$11.10	\$9.80
Zespri Green14	\$1.78	No Payment	\$0.05	\$1.95	\$1.90	\$1.90	\$1.50	No supply

CLASS 1 - INDICATIVE PROGRESS PAYMENT 15 AUGUST 2024	AVERAGE ON NET SUBMIT	16/18/22	25/27	30/33	36	39	42	46
Zespri Green	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	No supply
Zespri Organic Green	\$0.29	\$0.15	\$0.05	\$0.20	\$0.30	\$0.30	\$0.40	No supply
Zespri Gold3	\$0.17	\$0.05	\$0.10	\$0.25	\$0.40	No supply	No supply	No supply
Zespri Organic Gold3	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	No supply	No supply	No supply
Zespri Red19	\$0.72	\$1.80	\$1.40	\$1.10	\$0.75	\$0.75	\$0.70	\$0.65
Zespri Green14	\$0.23	No Payment	\$0.05	\$0.25	\$0.25	\$0.25	\$0.15	No supply

- 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.

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. Consideration is given to current season sales, cashflow, prior season percentage of total fruit and service payments paid at the same time of the season, other current season risk factors and also taking into account the latest information available.

July 2024 approved progress payments on Net Submit trays

Approved per tray progress payments for 15 July 2024:

Class 1	
Zespri Green	\$1.08
Zespri Organic Green	\$1.95
Zespri Gold3	\$1.78
Zespri Organic Gold3	\$2.50
Zespri Red19	\$11.75
Zespri Green14	\$1.78

August 2024 indicative progress payments on Net Submit trays

Approved per tray Progress payments for 15 August 2024:

Class 1	
Zespri Green	\$0.05
Zespri Organic Green	\$0.29
Zespri Gold3	\$0.17
Zespri Organic Gold3	\$0.05
Zespri Red19	\$0.72
Zespri Green14	\$0.23

HOW DO PROGRESS PAYMENTS WORK?

There have been a number of questions from growers around how we pay progress payments, particularly, because there is a significant amount of time between harvest and when the first progress payments are received. So, we've put together some information below to help growers better understand our process for this.

- Although the fruit is picked and packed, it still needs to be shipped to the market (which takes two to four weeks), sold, and funds received from customers.
- In terms of making the progress payments, we need to assess how much of the fruit has been sold, in which markets, and how much cash we have received, as well as forecasting the funds we are yet to receive.
- Once we have this information, we do a draft calculation of the progress payments, which is looked at to understand our ability to fund the payments through cash received and funding.
- For the early progress payment months like July and submit, where payments to the industry exceeds cashflow generated through sales, Zespri funds any cashflow shortfall.
- As we move through the year, we look at how much we have paid to date in relation to the above points, as well as assessing the current season risk factors to ensure we can cover any forecast changes at a variety (pool) level or by size.

At each forecast round, we go through the same process, making sure we consider any changes to the forecast, to ensure cash is returned to our growers as quickly as possible, without putting Zespri, or growers at risk.

For next season, we are reviewing bringing the progress payments forward for RubyRed to reflect the need for earlier cashflows. We'll keep growers updated in the event any adjustments are to be made.

DIVIDEND DECLARATION — AUGUST 2024

The Board has declared the final 2023/24 net final dividend of \$0.19 per share (with a gross dividend of \$0.24) which are expected to be paid on 9 August 2024, with record date on 2 August 2024, to all eligible holders of ordinary shares. This payment will be partially imputed at 70 percent.

The Board have also declared a 2024/25 net interim dividend of \$0.56 per share (with a gross dividend of \$0.68) which are expected to be paid on 9 August 2024, with record date on 2 August 2024, to all eligible holders of ordinary shares. This payment will be partially imputed at 55 percent.

Last year, the December dividend payment was brought forward to August to alleviate financial pressure. Zespri intends to continue this payment schedule going forward and will combine the two payments. There will be no further interim dividend paid in December, instead this has been brought forward to August and the same approach will be applied in subsequent years.





FRUIT QUALITY UPDATE

ONSHORE QUALITY

Overall onshore quality continues to track comparable to that of 2023, and better than 2022 for both SunGold and Green

The levels of packing-related defects this year is lower than in 2023 and 2022, and are mostly driven by minor blemishes in SunGold, and a combination of cosmetic shape defects and blemishes in Green.

Flesh damage is tracking similar to 2023 and 2022 in SunGold. While a high incidence of short stalk was reported in SunGold during KiwiStart packing, most of the flesh damage observed during ECPI audit was due to cuts, and not punctures from short stalks.

Levels of short stalks observed at the ECPI has significantly diminished over the last six to eight weeks, as the issue was mainly related to KiwiStart fruit. The level of storage defects (NPFG, soft fruit, and rots) is currently tracking lower than 2023 and 2022 for SunGold and Green.

OFFSHORE QUALITY

Overall, offshore fruit quality in SunGold is tracking similar to 2023 and better than that in 2022. Green quality is currently tracking better than in 2023 and 2022.

The main quality defect reported in most markets for both SunGold and Green has been soft fruit, compared to 2023 where skin defects (potentially stem end blemish and NPFG) were the main quality issue.

In recent weeks, physical damage (flesh damage) has been the main quality issue for SunGold reported in most markets, but the levels are comparable to that seen in 2023.

The general view from the key markets has been that quality for both SunGold and Green has been very good, with positive feedback from customers



View the SunGold and Green onshore performance and market quality rates year-to-date on Canopy: Canopy > News > Fruit Quality Update - July 2024



GROWER QUALITY REPORT: CHECK IT OUT ON THE INDUSTRY PORTAL

With this season's fruit well in the market, growers are reminded they can see the results of their Zespri fruit quality checks, both onshore and offshore, in the Grower Quality

Introduced in December 2023 in response to requests for more comprehensive data, the Grower Quality Report complements existing production reports. It showcases defect findings from Zespri's Onshore ECPI quality checks and in-market inspections (offshore), providing insights into your fruit performance throughout the supply chain.

The Grower Quality Report presents defect findings from Zespri's Onshore ECPI quality checks at the wharf /coolstore, as well as results of checks conducted within 14 days of discharge in the market.

To access the report, simply click on the 'Reports' button on the Industry Portal's homepage via Canopy and select 'Grower Quality Report' from the dropdown list. Please note, access to the report is restricted to those with a Canopy login, and viewing orchard data in the report requires specific authorisation.

Keep an eye out also for a new 'Fruit Quality Defect' page coming soon on Canopy, located under the 'Fruit Quality & Performance' section. This new page will provide detailed information on various defects, including photos and descriptions to help you relate the defect names with what the defect actually looks like on fruit. You can also see what individual defects have been grouped together in this report.

In addition to guidance on the Industry Portal page of Canopy, there is a 'Report Information section' within the Grower Quality Report that includes details on how to navigate and use the report.



For assistance with accessing the report or granting permission for others to access your orchard data, please contact the Zespri Grower Support Services team on 0800 155 355.

EXAMPLE OF THE IN-MARKET DEFECTSBY YEAR PAGE





PREPARING FOR A NEW SEASON

With the 2024 supply season now complete, you may be starting to think a little more about GAP as you get closer to your inspections in the coming months. We've been working on updating the Grower Manual, providing clarification in areas that were a bit blurry, and adding updates from GLOBALG.A.P.

We know repetition across the GAP programme can be frustrating. Much of the repetition you see through the Grower Manual, however, is necessary because of a requirement's importance across more than one area. An example of this is 'Water', which is found in both section 4, 'Environment'; and in section 7, 'Food Safety'.

Having said that, we've updated the inspector checklist by adding a 'time saver tip' to streamline your inspections and minimise the impact repetition has on you. Now when an inspector asks to see documentation that covers more than one section, you will only need to show that documentation once.

"We are hoping inspections are a little bit easier for everyone this year," says Christina Robinson, Extension Manager.

"Last year, growers went through GLOBALG.A.P. Version 6 for the first time and many attended training – this means they'll likely be more familiar with what's required. "The changes to the Grower Manual this year are minimal and mostly relate to grammar or clarification of principles and criteria."

Below is an overview of some of the key updates in the Grower Manual:

GROWER MANUAL SECTION

Section 7.2. Food Safety - Water The water testing procedure has been updated:

If the town supplied water has travelled from the council water meter to a holding tank and this water is applied to the fruit, an annual water test is

Section 1.4.3. Systems Complaints and Records

If you don't employ your own workers, a Human Rights Policy and/or declaration must still be displayed for contractors/sub-contractors to sight.

WE REACHED OUT TO A GROWER TO SEE HOW THEY ARE PREPARING THEMSELVES FOR A NEW SEASON.

Karen Pickford, based in Whangārei, says the Grower Manual is always open and used all the time. When she's paying the accounts when machinery is getting repaired, the manual is open to the Equipment and Machinery Maintenance Records (Principle 7.5.5).

"I live GAP every day,' says Karen.

"I know what needs to be recorded, I record it every day and I don't wait until a week before [inspection] - if something needs to be done, I just do it."

UPDATE

We asked Karen if she has any advice for MSOs when getting prepared for the new season.

"Ask for help if you need it – how do you eat an elephant? One bite at a time," she says.

"Start at the beginning and work your way through."



Remember, if you need help with your GAP inspection preparations, reach out to our extension team at extension@zespri.com.



Grower Karen Pickford.

GLOBAL EXTENSION TEAM UPDATES

THE MONTH AHEAD: JULY

WINTER PRUNING & PESTS

FERTILISER & COMPOST

ON-ORCHARD MANAGEMENT





Winter pruning

With winter pruning, aim to have a consistent canopy fill across all bays in your orchard, with winter buds evenly spread using the best quality fruiting wood. If leaf drop hasn't occurred yet, you can use defoliation sprays to speed up the process, although it's best to avoid leaf drop sprays as they often have high levels of copper.

- Establish your target buds per m² to meet your orchard targets.
- Choose early grown wood that received plenty of sunlight during the growing season as this wood has the highest flowering potential.
- Use this opportunity to remove large crowns that provide dark, humid environments that scale thrive in.
- In areas or years of low winter chill, you may choose to lay down more buds with the expectation that they can be removed if the budbreak is better than expected.

Reviewing your pest monitoring

You'll likely have seen your pest monitoring and pack out results for pests and diseases that resulted in market access issues. You can use winter dormancy as a time to get on top of some of the more common ones.

Passionvine Hopper (PVH) can lead to the growth of sooty mould, creating considerable crop losses in the form of rejected discoloured fruit. Now's a great time to remove host plants which will help with the long-term control of PVH. Focus on host plants in areas adjacent to the orchard, these include blackberry, bracken and mahoe. They are best removed during winter before the eggs hatch and nymphs disperse to surrounding plants.

Scale finds limit the markets your fruit can be sold in. A winter oil application of the leaders could be a good option if scale was identified as a problem. Two things to remember: allow a two-week interval after spraying Hi-Cane, and delay oil sprays until September on any Hayward blocks, to avoid damaging buds.

You should also consider replacing high-risk shelter species, including poplars, willows, and pittosporum.



Fertiliser

Some orchards need less fertiliser, while others may need more, so you should seek a fertiliser recommendation tailored to your orchard.

To achieve this, talk through your targets and plans for the year, along with your soil test results, and overall nitrogen balance with your fertiliser advisor ahead of confirming this season's fertiliser recommendations.

Your nitrogen balance should include nitrogen (N) inputs from compost, fertiliser, foliars, and budbreak enhancers (if significant), removals from harvested fruit, and what gets recycled as leaf fall and prunings.

Calculating your nitrogen balance is a useful sense check; if you estimate a large nitrogen surplus, ask your fertiliser advisor why. GAP specifically requires that fertiliser use is rationalised based on crop need – principle 3.3 – so including a nitrogen balance or other justification notes in your recommendations can help demonstrate this.

Compos

Like any orchard input, consider why you're applying compost. Ask your fertiliser or soil advisor whether soil tests such as for CEC and organic matter show that it's actually needed.

Compost, manure, and other organic fertilisers contain nitrogen and other nutrients, so application should be timed carefully to align with vine nutrient needs. Ask your supplier for nutrient (NPK) content details or send a sample away for laboratory testing.



Grafting

Grafting this year? Grafting and establishment resources are available on Canopy.

If you are supplying budwood to another orchard, be sure to register with KVH. Record budwood source and destination to ensure traceability of plant material.

If you are sourcing new rootstock plants, only source Kiwifruit Plant Certification Scheme (KPCS) plants unless you have 'Grow for your own use' rootstock. Keep planting records to ensure traceability for GAP.

The Zespri budwood coolstore is open for booking collection in July. All bookings are required to be made at least 48 hours ahead of time. Budwood will not be able to be distributed on the same day a booking is made.

Orchard Layout

Assess your orchard layout and whether you need to make any changes. Make sure what you have in place is best for your cultivar and growing environment. Things to check:

- The size of your vine footprint
- If your vine layout is optimal for good pollination
- Whether your row width and vine spacing allows room for machinery to manoeuvre
- If your shelters are adequate and are in the right place
- Whether you need to address any soil or irrigation issues.

(i)

MORE INFORMATION

You'll find all this information and more on Canopy:

Canopy > Tools > Fertiliser Diary

Canopy > Fruit production > Growing fruit > Soil, nutrients and water

Canopy > Fruit production > Growing fruit > Managing canopy & pruning > Pruning in Winter

Canopy > Fruit production> Protecting your fruit > Pests

<u>Canopy > Fruit production > Growing fruit > Develop, graft & establish > Graft vines</u>

Canopy > Events> Budwood coolstore open for collection

SPRAYING NEED-TO-KNOWS

UPDATE YOUR PROPERTY SPRAY PLAN

All KPINs must have a property spray plan to meet GAP expectations. Now is a good time of year to update your property spray plan for each KPIN. It's all about reducing the impact of agrichemicals on the orchard surroundings and keeping people safe.

It must include:

- the measures you take to prevent spray drift from the orchard (e.g. shelter belts, and low drift tech such as Al nozzles)
- an up to date orchard map that clearly identifies the sensitive areas, buffer zones, shelterbelt locations and entry and exit points of the orchard.
- · re-entry procedures for the sprays you will use
- how you will minimise any risk of residues and what you will do should an issue arise that could result in residues (read the <u>Zespri Residue Programme Overview</u> on Canopy).

Remember to share the re-entry procedure with all your workers and have orchard re-entry signage ready for the year ahead

Tip: if you use the same sprays and timings on multiple KPINS they can be combined on one Spray Plan.

SPRAY HANDLING

As you prepare to apply budbreak enhancers, ensure the applicator (including you if you self-spray,) has the appropriate Growsafe certification.

Use the link in the 'Additional Resources' section here to help understand the level of training needed for spray applicators. It's important those handling the agrichemicals follow the product labels to maintain their efficiency.

Remember, to dispose of any surplus agrichemicals or other application mixes appropriately. This means in a way that does not pose a risk to food safety and the environment. Options for disposal should be written in your Spray Plan.



i Additional resources

<u>Canopy > Fruit production > Protecting your fruit > Spraying</u>

Canopy > Tools > Manuals > Grower Manuals > Agrichemicals

Growsafe.co.nz > Certificates > What certificate do I need > Agchem Applicator

2024 BOP YOUNG GROWER COMPETITION



Now in its 17th year, the Bay of Plenty Young Grower Competition has become a significant platform for emerging talent in the horticultural sector. Organised by NZKGI, the competition aims to recognise and celebrate the skills, knowledge, and innovation demonstrated by young horticulturists in the region.

Taking place on Wednesday 17 July, the competition promises to showcase the depth of the careers within the horticultural industry and the competitor's passion.

Participants from various horticultural product groups, including kiwifruit and avocados, will engage in a series of practical and theoretical activities designed to test their abilities across multiple areas. They will have the opportunity to network with industry leaders, exchange ideas, and gain insights into the latest techniques and practices driving the horticulture sector forward.

2024 CONTESTANTS

- Brad Whitehead 30 Manager, Ashlins Avocados.
- Grace Lowery 25 Horticulture Specialist, Ballance Agri-Nutrients.
- Jack Canham 25 Kiwifruit Technical Assistant, Apata.
- · Jack Tortoiseshell 22 Orchard Manager, DMS.
- James Hickman 24 Research Technician, Plant and Food Research.
- Kurtis Bruce 25 Orchard Manager, Prospa (Eastpack)
- Levi Horton 22 Junior Orchard Manager, Southern Cross Horticulture.
- Lilah Rosenfeldt 26 Trials Specialist, Zespri.



For more information, visit www.bopyounggrower.co.nz



2023 Bay of Plenty Young Grower Contestants



Hon. Jan Tinetti (then Minister of Education) and Sydney Hines (Winner, Bay of Plenty Young Grower 2023)

ON THE LOOK-OUT FOR VINE DISORDERS



KVH follow-up of unusual symptoms including "sudden collapse of vines" during flowering or leading up to harvest, often identifies symptoms which have gone unnoticed for some time.

Leader dieback; swellings at, above or below the graft; swelling at the trunk crown (base); or cracking, cankering, or swelling of leaders and trunks is often not noticed, as the focus in any production year is generally on the canopy, buds, flowers, and fruit rather than the architecture of vines.

A perfect job for early winter is to complete a monitoring round to assess and act on vine symptoms that have crept in under the radar across the years and which are indicative of kiwifruit vine disorders.

Mapping of symptomatic vines allows insight into areas where gaps are emerging, or canopies are becoming sparse due to a decline in vine health.

Replacement strategies, such as replanting alongside affected plants or stringing of replacement canes from vines in adjacent rows will allow for the cut-out of infected vines without a significant drop in production.

The earlier infected vines are removed the better, as spores from the fungal invaders can be harboured in fruiting bodies within the infected area and spread via soil, water, and air movements. Infections in leaders and canes can also be spread by unclean tools and infections in rootstock can travel across graft unions and impact on newly grafted cultivars.

Research projects initiated through the Zespri Biosecurity Innovation portfolio have identified several fungal organisms associated with the various kiwifruit trunk disease symptoms and shown that disease complexes rather than single species are generally involved.

Regular monitoring of sites is valuable as new growing situations can change the status of fungal diseases. Different cultivars and rootstock may be more susceptible, marginal growing areas,

environmental factors, stressed and aging vines, different management practices (e.g. girdling) and build-up of site inoculum are all factors that can lead to a change in vine impacts. Annual review helps ensure orchards remain resilient and successful into the future.

More information on vine decline and trunk diseases is available here: https://kvh.org.nz/newsroom/bs19004-kiwifruit-trunk-disease-nectriaceae-associated-with-vine-decline-of-kiwifruit-incidence-and-prevalence-objective-1-3-september-2020

An image library of trunk symptoms to watch out for is available here: https://kvh.org.nz/assets/documents/Trunk-disorders.pdf



Cracking at base of low vigour vine.



Underlying root and trunk base infection.

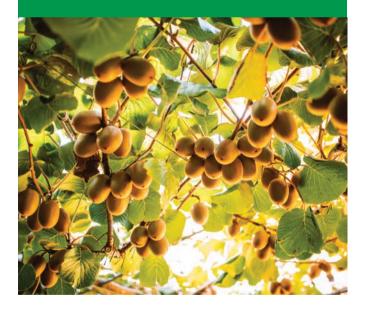
REMINDER TO REMOVE UNPICKED FRUIT



Growers are reminded that unpicked kiwifruit should be removed from vines to help limit wild kiwifruit plants establishing in nearby areas, especially around native bush, or forestry.

Fruit ripening over the winter months provides a food source for birds (such as the wax-eye/tauhou) that then spread seed through their droppings, together with a small fertiliser package. A proportion of this seed can readily germinate.

Unpicked fruit needs to be dropped to the ground and mulched. This prevents mass-feeding by birds over the entire winter period.



BIOSECURITY TOPS AGRIBUSINESS PRIORITY LIST AGAIN



Biosecurity has retained the number one ranking in KPMG's annual Agribusiness Agenda priorities survey for the 15th consecutive year.

With a priority score of 9.16 (the highest since 2021), the issue was raised in many of the roundtable discussions with leaders.

KPMG notes that while great progress has been made in eliminating Mycoplasma Bovis, and the devastation that Psa inflicted on kiwifruit is becoming a distant memory, the likely arrival of avian influenza has brought preparedness for a major incursion into sharp focus.

In addition to the increased risk of incursion, contributors noted that in the aftermath of Cyclone Gabrielle a range of new disease issues appear to have arisen. These are potentially sleeper diseases that have been triggered by the consequences of the cyclone

The nature of the biosecurity risks we face is changing faster than we are evolving our ability to respond. As incursions become less likely to follow traditional vectors and arrive via a port or airport, the capabilities needed to identify an incursion and respond must evolve and we must have fit for purpose emergency response plans.

Also, the report makes specific note that it is critical that each organisation focuses on doing the things they can do in their business well. In responding to Covid-19, it was the small things like washing hands and wearing masks that did the most to protect us from infection. With the threats we face, it will be good farm management practices and hygiene standards that will offer the most protection.

These key areas of response capability, planning, and the importance of consistent best practice are all main areas of discussion at the upcoming KVH Biosecurity Symposium.

View the Top 10 and biosecurity pages from the report here: (https://kvh.org.nz/assets/documents/Bio-pages-Agri-Agenda.pdf)

View the full report on the KPMG website here; https://kpmg.com/nz/en/home/media/press-releases/2024/06/todays-potential-tomorrows-possibilities.html

REGISTER FOR THE KVH BIOSECURITY SYMPOSIUM!

Register now to save your spot: https://events.humanitix.com/kvh-2024-biosecurity-symposium

The full programme is available on our website here: https://kvh.org.nz/about/kvh-symposium

Q&A

FROM THE FIELD

KEY CONTACTS

Grower & Industry Relations Manager Malkit Singh: 027 665 0121

Grower Relations Managers Sue Groenewald - GRM Red, Athenree, Waihi, Coromandel, Lower North Island: 027 493 1987 Sylvia Warren - Gisborne, Ōpōtiki, Whakatāne, Pukehina, Pongakawa: 022 101 8550

Jemma Pryor – Te Puke: 027 283 6192

Richard Jones - Waikato, Auckland, Northland, Ōropi, Omanawa, Lower Kaimai: 027 255 6497

Brad Ririnui – Tauranga, Paengaroa, Hawke's Bay: 021 757 843 Robin Barker Gilbert - Katikati, Nelson: 027 779 5910 Teresa Whitehead - Organics:

How can I see where my fruit has been shipped to?

Click on the 'Industry Portal' found on the Canopy landing page under 'My quicklinks': https://webappssso.zespri.com/launchapp?appid=101.

Click on 'Reports' and then select 'Current Season Production Report' from the drop down menu then view the page, 'Where's my fruit'.

If I have overplanted either my SunGold or RubyRed variety, will Zespri Treasury Stock be offered as a means of rectification?

Not in all instances, no. The access to Treasury Stock is not an automatic right. Depending on how the overplanting has occurred, different rectification options may be offered.

The overplanting will be investigated by the Licence Team where they look into several factors as to why the increase has happened. If there's been "unintentional" overplanting, then the offer or treasury stock will be available. If the overplanting has been deemed "intentional", Treasury Stock is not offered as a means of rectification.

Read more about Zespri's unauthorised planting policy here: Supply & Operarations > Licences > <u>Licence Protection > Unauthorised Planting Policy</u>

How do I check that a contractor has a current CAV (Compliance Assessment Verification)?

Contractors are required to hold a valid CAV to supply labour, harvest fruit, maintain vines, apply sprays/fertiliser on kiwifruit orchards that supply Zespri. Growers must ensure a contractor has a valid CAV before they carry out any work on their orchard.

Zespri lists all contractors who hold a current CAV in a Contractors List on the Industry website: www.industry.zespri.com. This lists their name, GAP number, GAP CAV expiration date, contractor type, and the inspection scope.

When is the settlement due for licence I purchased in the 2024 licence release?

The settlement of any monies owing for the 2024 licence release is due no later than 5.00pm on 19 July 2024. This is to be paid to the Zespri bank account found on the bottom of your invoice. A friendly reminder email will be sent in July.

If I have ordered Zespri budwood this year, how do I collect it?

The Zespri Coolstore will be open from Wednesday 19 June until Friday 2 August 2024 for budwood distribution. Any updates in relation to budwood and bookings will be communicated through direct email to the contact person on the budwood questionnaire.

Note, all Zespri budwood is required to be collected using a booking system. Anyone collecting budwood that arrives without a booking may be required to return for collection on another date.

Budwood cannot be couriered. If you are outside of the Bay of Plenty region, please either use our booking system (and come through to the Zespri Coolstore in Mount Maunganui) or discuss possible regional collection with your Grower Relations Manager.

When does the PVR for SunGold expire?

SunGold PVR expiry dates vary from country to country depending on when it was lodged and there are also different PVR periods for different regions. The New Zealand PVR expires in September 2039. The Europe SunGold PVR expires in 2042. The Kiwifruit Breeding Centre is working hard in the breeding programme to make alternative varieties to allow growers to have a PVR portfolio beyond the current SunGold PVR expiry.



UPCOMING EVENT



ZESPRI AIMS GAMES

We're excited to welcome athletes, supporters, and volunteers back to Tauranga Moana later this year, with the tournament taking place from September 7 to 13.

For us, supporting AIMS Games is about making a positive contribution to our communities, and the tournament aligns so well with our values. We love that it teaches healthy habits to the next generation and helps build great personal connections within team-mates, competitors, and volunteers.

Keep an eye out for further details on how to join in all the fun.











KNZ BOARD ELECTION



Kiwifruit New Zealand is established under the Kiwifruit Export Regulations 1999 for the purpose of authorising Zespri to export New Zealand grown kiwifruit, to determine collaborative marketing applications, and to monitor and enforce measures that mitigate the potential costs and risks of a single desk exporter.

The Kiwifruit New Zealand Board consists of six directors, of which three are elected by producers for a three-year term. This means every year one producer-elected director is due for re-election.

Colin Olesen's second 3-year term expires on 30th September 2024, and he will be standing for re-election for his third and final term

The election timetable is:

2024 KNZ DIRECTOR ELECTION TIMETABLE

Nominations open for Director Election Monday, July 22nd Monday, August 5th **Nominations close Voting Poll opens** Friday, August 23rd **Voting Poll closes** Monday, September 9th

KNZ has posted a letter to all producers detailing the process, but for nomination forms or additional information please contact KNZ on (07) 572 3685 or admin@knz.co.nz.

FUR 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 canoov.zespri.com FMAII - cantact conservations.

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