



10 May 2023

Hi Everyone

Thank you for your continued efforts in what has been a particularly challenging harvest given the delayed fruit maturity and some of the recent poor weather we've seen across the country. We are hoping for more settled weather over the next week to enable more fruit to be picked and packed as we move through the remainder of this season's SunGold Kiwifruit crop and commence Green mainpack.

Our latest crop estimate indicates that we're likely to have less fruit than expected this season, driven largely by this year's challenging weather and reduced yields, with a total forecast New Zealand crop of around 136 million trays. This may reduce further as more orchard assessments are completed following April's hail event in Te Puke and Tauranga.

From a supply perspective, we're approaching the 100 million tray milestone in terms of this season's submit, with around 85% of our SunGold Kiwifruit now packed. With dry matter accumulation now plateauing, the focus is on closing out the remaining SunGold Kiwifruit and harvesting enough Green to cover market demand. Growers are therefore encouraged to harvest their fruit as soon as it has met the right harvest quality indicators and as soon as they are able to so that larger sized fruit pressures are not compromised, ensuring we can maintain consistently good quality fruit throughout the season.

With a limited supply of fruit this season, including one of the lowest volumes of Green Kiwifruit in over 20 years, our teams are working closely with our customers to ensure we can deliver the best possible outcome and maximise the value we are returning this season. All of this season's Kiwistart Green fruit is expected to be fully ordered for shipping next week, with customers keen to keep receiving Green to be able to continue their sales programmes. This means a smooth transition to Green mainpack will be important to optimise our shipping loadouts and meet demand.

I'm pleased to report that we've continued to receive good feedback from customers regarding the improved fruit quality we're seeing arrive across the markets this season, reflecting the significant effort put in across the supply chain. While there is still some variability in performance across lines, the changes made to the quality management systems for 2023 as part of the industry's Quality Action Plan are enabling us to identify this and where possible manage this onshore.

Fruit from our first two European vessels continues to be distributed this week, and early indications are that we're presenting better quality and generally firmer fruit in line with customer expectations with defects down from around 10 percent last year to around 2 percent this year. This is consistent with feedback on our first North American vessel's arrival into the West Coast where we have also seen good fruit pressure, low levels of defects and generally much better quality than last season.

Early sales of SunGold Kiwifruit across the markets continue to track well and as at the end of week 18, more than 11 million trays have been delivered, with Europe and US the latest major markets to kick off their 2023 season last week. Additional SunGold Kiwifruit Class 2 volume has also been secured to help meet demand. Zespri RubyRed Kiwifruit sales are now into their last sales week with just under 90% of this season's crop now sold. Our Green programme is in its early stages having commenced in Japan and China with almost half a million trays delivered as at the end of week 18.

Keeping a strong focus on fruit quality during the last part of the harvest is critical to make sure the customer experience remains positive and costs are minimised at the back end of the season.

We wish you well with the balance of your harvest and look forward to seeing you at the Mystery Creek Fielddays from 14-17 June where we'll provide a detailed season and market update.

Regards

Jason Te Brake
Chief Operating Officer