



5 May 2023

Dear Industry Colleagues

The 2023 licence release utilising the ascending-price open auction has now concluded. This update covers the results of today's Zespri Unrestricted SunGold Kiwifruit licence release.

The unrestricted pool auction closed with 148.8 hectares of the 150 hectares available released at a price of \$700,000 per hectare (including GST). This compares to last year's median price of \$921,150 (incl. GST) and minimum price of \$519,740 (incl. GST) for SunGold Kiwifruit licence. After the auction's first round this morning, the category was oversubscribed by 374 hectares. There were 10 rounds of bidding in total.

The level of grower interest in today's licence release and in Wednesday's SunGold Kiwifruit Restricted (Hayward/Green14 Cutover) Pool, reflects the strong market demand for SunGold Kiwifruit we are continuing to see from our customers and consumers.

The new auction mechanism has provided greater price transparency for growers and has meant that all successful bidders pay the same price for licence. The new SunGold Kiwifruit Restricted (Hayward/Green14 Cutover) Pool auction on Wednesday 03 May also offered Green growers an opportunity to transition green hectares to SunGold Kiwifruit and helped ensure there is a spread of licence across our grower base. Initial analysis of the results shows an average allocation of 0.57 hectares per bidder in the Hayward/Green14 Cutover pool and 2.75 hectares per bidder in the Unrestricted pool. Further analysis will be published in the May edition of the Kiwiflier.

The Evaluation Panel convened this afternoon at 4pm and confirmed the final allocations and validity of all bids. All bidders final confirmation of allocations and deposit requirements will be sent by email from 8 May 2023. Licence packs will be distributed to successful bidders from 23rd May 2023 onwards.

Thank you to all growers who attended the practice sessions on the new auction system. We've appreciated your feedback and Zespri will review this year's process and outcomes to consider what improvements can be made. All participants will receive a short survey over the coming weeks to gather feedback on the process and consider improvements for future auctions.

Preliminary Licence Revenue Results

Today's final licence release results indicate that Zespri corporate revenue as a result of the licence released is estimated to be \$212m (GST exclusive). This compares to last year's licence revenue of \$307m (GST exclusive), which featured a larger release of RubyRed Kiwifruit hectares.

The USX Share trading platform will recommence trading on Tuesday 9 May 2023 at 9am.

ZESPRI 2023 LICENCE RELEASE RESULTS			
Licence Pool	RubyRed Kiwifruit	SunGold Kiwifruit Restricted (Hayward/Green14 Cutover) Pool	SunGold Kiwifruit Unrestricted Pool
Hectares Available	150 ha	200 ha	150 ha
Hectares Released	125.8 ha	199.5 ha	148.8 ha
Opening Price (GST inclusive)	\$38,000 per ha	\$258,000	\$258,000
Final Price (GST inclusive)	\$38,000 per ha	\$678,000	\$700,000
Final Price (GST exclusive)	\$33,043 per ha	\$589,565	\$608,696
Total Number of Auction Rounds	1	20	10
Total Hectares Bid For (first round of bids)	125.8 ha	627.5 ha	524.1 ha

Regards

Carol Ward
Chief Grower, Industry and Sustainability Officer