



**29 September 2022**

Hi everyone

We're continuing to see strong demand for our fruit as we move towards the back end of this season.

As of week 38, across all fruit groups we have delivered 123m TE or 74% of our full year crop and are moving into the key post summer fruit sales window across our markets. Just under 81m trays of Class 1 SunGold Kiwifruit have been delivered, which is 81% sold through compared to 82% last year. Class 1 Green is 63% sold through with 38m trays now delivered, slightly behind the proportion sold through last year though with 5.5m TE less to deliver than at the same point last season. Organic SunGold and Green Kiwifruit are 83% and 54% delivered compared to 75% and 59% respectively last season.

Fruit quality has continued to be a topic of considerable industry conversation over recent weeks. The Zespri brand has been built on our ability to consistently provide high quality fruit and we must continue to do so in order to maximise the value we can return to growers and the wider industry. We've appreciated the feedback we've received on this issue, including at our current round of Shed Talks, as well as the significant work being undertaken right across the industry to improve quality so that we can finish this season strongly.

The industry is continuing to work through the details of a tactical quality action plan to be established to make important adjustments for the 2023 season. This process is being led by the Industry Advisory Council (IAC), and follows a similar process that was undertaken to establish the industry's 5-point Action Plan to ensure the 2022 harvest was as smooth as possible given the constraints we faced from the labour shortage.

We expect that a key part of this quality tactical action plan will be considering changes to address our commercial drivers that incentivise better quality fruit, in particular seeking to rebalance the incentive structure between early season fruit and late season fruit, to help ensure we are able to get the right fruit at the right time to the right place. This is critical to our ability to send quality fruit to our customers and consumers, preserve our brand, and ultimately maximise the value we can return to industry and our communities. We've appreciated the ongoing commitment and time the industry has continued to put into this process, and we expect the workstreams associated with this plan will be communicated in the coming weeks following IAC approval.

We are also reviewing our own practices within Zespri, including our on-shore Quality Assurance processes, as well as our offshore supply chain processes such as how we get fruit to market, check fruit and store fruit, to ensure we are reducing quality impacts from our end-to-end supply chain.

Thanks again for your continued efforts to ensure we can finish this season strongly. We'll provide a further update in the coming weeks.

Regards

Alastair Hulbert  
Chief Global Supply Officer