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1 September 2022

Growers choose not to expand SunGold Kiwifruit production outside of New Zealand

Zespri growers have voted not to progress a proposed expansion of Zespri kiwifruit plantings in the Northern Hemisphere.

The proposal to expand the planted hectares of Zespri SunGold Kiwifruit in overseas countries (excluding Chile and China) by up to 10,000 additional hectares was put forward to support the industry's strategy of marketing Zespri Kiwifruit to consumers all 12 months of the year.

A total of 67.8% of growers and 71.7% by fruit weight voted in favour of the first proposal to increase the number of hectares.

70.2% by producer vote count and 73.6% by fruit weight count supported a second resolution to allow the planting of up to 1,000 additional hectares of new varieties.

75% is required on both counts for a producer vote to pass under the Kiwifruit Export Regulations.

"The result is disappointing but our industry is structured to empower growers by giving them direct influence over the key strategic decisions outside of Zespri's core business. While there was strong support for expansion, it was not at the level required to proceed," Zespri CEO Dan Mathieson says.

"I'd like to thank all those growers who participated in the process and acknowledge the many who voted - we'll be discussing the result further with growers in the coming weeks.

"We did receive a lot of feedback during the discussions on the proposal. This included the need to tackle New Zealand fruit quality concerns and the cost of licence. One of the key challenges was from growers who do not own shares who did not believe that an increase in offshore plantings delivered enough benefits for non-shareholders. We will continue to work with growers on these issues."

Mr Mathieson acknowledged Zespri's offshore partners who remain a critical part of our industry.

"Zespri will continue to focus on maximising production and achieving the best outcome for the New Zealand industry and our partners from the existing Zespri Global Supply production base of 5,000 hectares of Zespri SunGold Kiwifruit. It is estimated that ZGS growers will supply between 21 and 22 million trays of Zespri SunGold Kiwifruit this year and based on existing plantings that will increase to 45.5 million trays by 2029.

For new varieties, planting is restricted to the 1,000 hectares approved in the 2019 producer vote while work will continue to procure Green Kiwifruit from our Northern Hemisphere growing partners.

Mr Mathieson says Zespri's in-market teams will consider the best way to utilise the fruit that is produced to support sales of New Zealand fruit.

FINAL RESULTS

Resolution	Individual Votes	By weight
1. Increase the planted hectares of Zespri SunGold Kiwifruit in overseas countries (excluding Chile and China) by up to 10,000 additional hectares	67.79% for (1,090 votes) 32.21% against (518 votes)	71.66% for 28.34% against
2. Increase the planted hectares of any new kiwifruit variety in overseas countries (excluding Chile and China) by up to 1,000 additional hectares.	70.19% support (1,123 votes) 29.81% oppose (477 votes)	73.57% for 26.43% against
Participation: 57.5% of the industry voted representing 72.3% by fruit weight.		

ENDS

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NOTE FOR EDITORS – ZESPRI GLOBAL SUPPLY

Zespri’s strategy is to market the world’s leading portfolio of kiwifruit 12 months of the year and our Zespri Global Supply (ZGS) team was created over 20 years ago to focus on this strategy. The core ZGS team is made up of around 70 full-time operational staff based in Italy, France, Korea and Japan. This team works with local growers those locations to grow Zespri SunGold Kiwifruit and procure Zespri quality green kiwifruit to fill shelves when New Zealand-grown fruit is not available.

In 2019, growers approved the planting of up to 5,000 hectares of Zespri SunGold Kiwifruit. The 2022 vote sought approval to expand the plantings to fill the growing demand for our fruit in the New Zealand non-growing season.

To carry out activities not covered by its core business mandate provided in the Kiwifruit Export Regulations, Zespri must either provide prior notice to its regulator Kiwifruit New Zealand before carrying out an activity that supports core business or seek approval from growers in a Producer Vote for activities that fall outside the “support core business” definition in the Regulations. To gain approval, the Producer Vote needs at least 75 percent support from those growers who vote, calculated by both (a) number of voters, and (b) volume (weight) of production.

ABOUT ZESPRI

Zespri is 100 percent owned by current and former kiwifruit growers and has a global team of 850 based in Mount Maunganui and throughout Asia, Europe and the Americas. Our purpose is to help people, communities and the environment thrive through the goodness of kiwifruit, and we work with 2,800 growers in New Zealand and 1,500 growers offshore to provide consumers with fresh,

The header features a green background with a white curved shape on the right containing the Zespri logo. On the left, there are images of kiwifruit: a whole green kiwifruit, a sliced green kiwifruit, and a sliced yellow kiwifruit (SunGold).

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healthy and great-tasting Zespri Green, RubyRed™ and SunGold Kiwifruit. In 2021/22, we supplied over 200 million trays of kiwifruit to consumers in more than 50 markets, and recorded global operating revenue of NZ\$4.47 billion. Zespri is committed to sustainability, with areas of improvement identified right through the supply chain including our pledge that by 2025 we will use 100 percent reusable, recyclable or compostable packaging, do more to help the environment, and work with our partners to be carbon positive by 2035.