



1 September 2022

**CEO Update: Final ZGS Producer Vote Results**

Dear Industry,

This is to update you on the results of the ZGS producer vote.

Growers have voted not to progress a proposed expansion of hectares in the Northern Hemisphere.

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 Zespri SunGold Kiwifruit 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.

I'd like to thank all those growers who participated in the process and acknowledge the many who voted.

We'll be seeking grower views on the result and next steps during a series of industry engagements over the coming weeks and via an online survey you'll receive next week.

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 recognise these are challenges we need to address and we will work with you to do so.

I'd also like to acknowledge our offshore partners who remain a critical part of our industry. We will continue to focus on maximising production and achieving the best outcome from the existing approved production base of 5,000 ZGS SunGold Kiwifruit hectares. This year we estimate ZGS growers will supply between 21 and 22 million trays of Zespri SunGold Kiwifruit and based on existing plantings that will increase to 45.5 million trays by 2029.

This will give us some ability to meet more demand in the New Zealand offseason but it will not generate enough fruit to establish 12-month supply in all of our key markets, leaving gaps when our fruit will not be available. Our in-market teams will consider the best way to utilise the fruit that is produced to support sales of New Zealand fruit.

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.

We will continue to engage with growers and the industry to update you on growth of the Zespri Global Supply business and the 12-month supply strategy and the options in front of us.

Regards,

Dan.

**FINAL ZGS PRODUCER VOTE 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.		