



30 August 2023

Hi everyone,

We are now more than 72% sold through this season, putting us ahead of where we were last season when we were 64% sold through at the same time. With this season's smaller crop, we have just over 38 million trays left to sell this season, which is 21 million trays less than the same time last year.

All markets are performing well and we're seeing strong sales rates helping support an early season finish. Positive lifts in pricing and the improvements we've seen in quality management have been key drivers in the increase in grower returns published last week. This season's quality results have us tracking largely in line with our 2021 season cost of quality, and significantly better than last year. However, we have included some contingency in our forecasts to account for some uncertainty around fruit quality in the last 25% of the crop still to arrive in market.

With our sales programmes, our focus continues to be on investing to build demand to help maximise returns to growers. This has seen kiwifruit move up the fruit bowl rankings over the last four years – from 9th to 7th in our core markets and from 16th to 15th and 20th to 12th in our key growth markets of North America and Vietnam.

Competition is now easing across the fruit category as we near the end of the summer fruit season. Our in-market inventory levels remain within our expectations, with most inventory in our main markets including Europe and China sitting at two weeks sales cover. Japan had been sitting above the four-week inventory level for the past two months but has now reduced down to three weeks on the back of the reduced arrivals and a strong focus from the sales team on selling fruit on hand quickly. The teams are continuing to focus on moving older inventory first to avoid quality issues in market and optimise the performance of the fruit through the end of the season.

Our shipping programme has been tracking to plan and is now more than 95% complete, with the last of our remaining fruit to be shipped from New Zealand over the coming weeks. This will see us finish the season eight weeks ahead of last season, a conscious decision made to ensure that in a low crop year we keep fruit moving through to customers quickly to avoid late season quality costs for growers.

Both our onshore and in-market quality remains better than last season's performance. Quality onshore has been steady with high levels of repack from post-harvest focused on tidying up late season fruit quality. As a result, we're seeing much better results in-market and lower levels of claims and fruit loss compared to 2022.

Finally we hope to see you at **Grower Roadshows** which started this week where we are providing more detail on the season to date and planning for next season.

Jason Te Brake
Chief Operating Officer