



21 September 2023

Hi everyone,

We are continuing to make good progress with our sales as we move to the back end of the season.

We are now 83% sold through, compared to 74% sold through at the same time last season, with a smaller crop this year. We have just under 23 million trays left to sell, compared to 43 million at the same time last season, with just under 15 million trays of Zespri SunGold Kiwifruit and around 8 million trays of Zespri Green Kiwifruit left to sell, compared to 20 million and 23 million respectively last season.

Sales programmes are progressing well, including in the Greater China region which is moving into the mid-autumn festival period, and in Europe where people are returning from the summer break. These factors are expected to deliver a boost in local sales, helping ensure we complete our sales within our planned finished dates. Despite challenging conditions earlier this year, sales in Japan in recent weeks post the traditional summer-fruit period have stabilised and are tracking to plan, with our SunGold Kiwifruit sales set to finish by mid-October and Hayward around one month later.

In-market inventory levels remain good, with China and Europe inventory levels very low with approximately 2 weeks cover or less, and Japan inventory levels have reduced by 35% in the past few weeks on the back of targeted sales programmes.

I'm currently in Europe, where over the coming weeks I'm meeting with many of our key customers to review this season's fruit quality. Much of the feedback we've received already has reflected the significant improvements the industry has delivered from last season in terms of fruit quality, although we know there are still opportunities to improve, including reducing skin defects and softs late in the season. This is a reminder of the importance of getting fruit quality right at the start of the season and during harvest so that we can deliver fruit that stores well in market late in the season and have lower costs of claims and fruit loss.

In-market quality has been stable and remains better than last season, although as expected at this stage in the season, we are starting to see higher levels of deterioration and failed pallets with pockets of fruit which have been of poorer quality, particularly with SunGold Kiwifruit here in Europe. Quality claims are still well within the levels considered within our latest forecast, and our teams are looking to target and move older inventory to minimise fruit quality costs, and maintaining a strong focus on keeping quality claims down.

While I am in Europe, I will also be meeting with our three largest shipping providers as we plan towards our 2024 season and beyond, including considering the required capacity to ship what we expect to be larger crop volumes.

This week marks an important milestone for our shipping programme, with the last charter vessel of the season scheduled to depart the Port of Tauranga on Friday, sailing to Tokyo and Kobe in Japan and then on to South Korea. Our last charter vessel is around eight weeks ahead of last season, with our final container shipments to be shipped over the coming weeks.

I'll be providing more detail on the above and on closing out the season at our **Grower Virtual Town Hall** next Wednesday 27 September at 4:30pm. You can join this session via Microsoft Teams using the link on Canopy where we'll provide a recording of the meeting for those who can't join us live. A reminder also to check out our spring grower field day schedule on Canopy. These are running across the regions over the next few weeks.

Regards

Jason Te Brake
Chief Operating Officer