Industry Update: Unrestricted SunGold Kiwifruit Licence Release

8 May 2024

Dear Industry Colleagues

This update covers the results of today's Zespri Unrestricted SunGold Kiwifruit licence release which took place using an open ascending-price auction release mechanism.

104.72 hectares of SunGold Kiwifruit licence were released at a price of $424,000 per hectare, excluding GST. This compares to last year's price of $608,695 per hectare, excluding GST. After the first round this morning, licence was oversubscribed by 13.59 hectares at the starting price of $406,000 per hectare. In total there were 5 rounds of bidding.

The open ascending-price auction mechanism which the industry shifted to last year means all growers pay the same price for licence in any given year, providing greater price transparency during the release process.

The Evaluation Panel convened this afternoon and confirmed the final allocations and validity of all bids. Final confirmation of allocations and required deposits will be sent by email from 9 May 2024 onwards, with licence packs sent to successful bidders from 30 May 2024.

A survey will be released in the coming weeks to help gather grower feedback on the auctions as part of our ongoing efforts to improve the licence release process for growers.

Preliminary Licence Revenue Results

Today's licence release results indicate that Zespri corporate revenue as a result of the licence released is estimated to be $105 million excluding GST. This total revenue figure includes the sale of 153.47 hectares in Monday's Restricted auction as well as today's 104.72 Unrestricted hectares. This compares to last year's licence revenue of $212m (GST exclusive), which featured larger releases of SunGold Kiwifruit hectares in both the restricted (200 hectares) and unrestricted (150 hectares) pools, as well as the release of 150 hectares of RubyRed Kiwifruit licence.

The USX Share trading platform will recommence trading on Friday 10 May at 9am.

Regards

Tracy McCarthy
Executive Officer - Grower and Industry Engagement