16 July 2026

Hi everyone,

We've made solid progress with sales in recent weeks and have now sold over 100 million trays, which takes us towards the halfway mark of the season. Close to 150 million trays have now been shipped, tracking in-line with our pre-season plan and ahead of the 137 million shipped at this time last year, with around 73 million trays still to go.

We've sold 73 million trays of SunGold Kiwifruit, around 48% of the crop, compared to 50% at this time last season. Green is 18 million trays sold, around 35% of the crop, compared to 33% last year, with our Organic SunGold and Organic Green programmes both tracking well, with 2 million and 600,000 trays sold respectively. While sales are ahead of where we were last year, this season's larger crop and tightening market conditions as we move into the peak summer fruit season where there's more competition for shelf space, means we're currently tracking behind our sales plan by approximately 3 million trays.

Increased competition has been noticeable in Europe, where warmer temperatures have brought summer fruit into the market earlier than usual and made for tougher market conditions in recent weeks. With summer fruit expected to ease earlier, our promotions are focused on capitalising on strong demand for our fruit in a less congested market. With more challenging conditions having pushed market inventory higher than last year, we're also prioritising the right fruit for customers and working to bring inventory back to our target levels.

In China, we've also seen more challenging market conditions and slower than anticipated sales, with our in-market team looking to build on the strong momentum from the Dragon Boat Festival where sales were strong, and holding inventory leaner as we head towards the Mid-Autumn Festival, when we usually see demand lift. Sales in North America have been solid as we build on strong demand, and we've put some targeted promotions in place in Japan to lift sales rates over recent weeks. In both these markets we're also keeping a close eye on distributor stock levels, so total in-market inventory stays well managed and the risk of older stock building up is minimised.

While early fruit has presented well, we are monitoring quality closely this season given growing conditions mean we're carrying added risk from generally softer SunGold and Green fruit pressures. We'll have more of an understanding of this over the coming weeks as we continue to assess fruit performance, with our aim to mitigate the impact of late season quality challenges. A smaller Hayward crop this year provides an opportunity to finish the season earlier, helping minimise quality costs at the tail-end of the season.

We're also implementing a number of tactical actions to enhance our quality management this season. This has included doubling the amount of fruit being checked onshore in the last couple of weeks, and supplier accountability changes, including extending checking timeframes in market so arrivals are better represented in our quality sampling. We've increased the commercial differentiation between suppliers based on how their fruit performs on arrival, lifted product audits during packing with fruit grade and fruit weight checks up this year, and made greater use of site risk ratings and non-export holds when required. Packhouses have also been given 24 hours' notice before shipping, so quality teams have time to complete inspections before fruit departs. We'll provide further updates on quality performance as the season progresses.

Protecting value in China and Shed Talks

As signalled in our most recent Kiwiflier, we're starting an important conversation with the industry about how we continue to secure strong value in a more challenging and competitive China market. While we're a well known and trusted brand, we're seeing greater competition, more selective consumers, variability in late season quality impacting consumer confidence, and improving local G3 fruit, and these are putting pressure on our premium position and the returns that come from it.

In order to respond, we're looking at how we keep high-quality Zespri Kiwifruit in front of consumers year round, and are seeking industry views on two broad options which we'll be discussing at Shed Talks starting next week. The first is to continue competing from New Zealand by improving our late season quality and investing in post-harvest innovation and developing long-storing varieties. The second is considering a tightly controlled China Supply procurement model similar to ZGS Green, where we'd sell New Zealand fruit for as long as it meets quality and customer expectations, before potentially transitioning to locally grown G3 that meets our quality, food safety and maturity requirements. Any China supply model would require grower support via a Producer Vote which depending on your feedback might be something we consider in 2027.

It's an important conversation and we're keen to hear your thoughts so I hope you can get along to Shed Talks, where we'll also be discussing the work underway on developing a new Green variety, including potential commercial frameworks and licence release options. Further details on Shed Talks, including how to register, are available here.

Annual Report

Finally, Zespri's 2025/26 Annual Report is now available here, reflecting the strong value delivered to our growers, customers and shareholders last season and highlighting our ambition to be the world's healthiest fruit brand by 2035. The formal Notice of Meeting, proxy forms and voting information for the Zespri Annual Meeting on 20 August have also been sent to shareholders, so please keep an eye on your inbox or mailbox for these.

We'll keep you updated on further progress in the coming weeks.

Jason