



The Zespri 2024 Pool Distribution Policy for Hail Damage pays for the loss of individual Class 1 Standard Supply kiwifruit which is damaged by having been directly struck by hail, on the vine (*fruit set*), and is unable to then meet export standards as a result of that damage.

### POLICY PERIOD

2024 Season (*starts 1 August 2023*).

### COVER

The policy provides cover for kiwifruit damaged as a direct result of hail strike for the current season. The policy pays for the loss of individual Zespri Class 1 Standard Supply kiwifruit which is damaged by having been directly struck by hail, on the vine, and is unable to then meet Zespri export standards because of that damage. It does not cover consequential damage such as water stain or softening.

### MAXIMUM AGGREGATE DISTRIBUTIONS

Based on 1.5% of total OGR for the respective Variety pools. The Maximum Aggregate Distributions will remain an indicative amount until February 2024 when they will be updated for the February 2024 Official Supply Estimate volumes.

- Zespri Green Variety Pool is \$6.81 million
- Zespri SunGold Variety Pool is \$22.4 million
- Zespri Green Organic Variety Pool is \$510,000
- Zespri SunGold Organic Variety Pool is \$780,000
- Zespri Sweet Green Variety Pool is \$18,000
- Zespri RubyRed Variety Pool is \$270,000

### AGREED VALUE PER TE

Based on average on-orchard cost per hectare plus a 50% uplift of on-orchard cost. A maximum cap on the agreed value per tray to be paid out for each pool will be equal to the August Forecast OGR for that pool for the relevant season.

- Zespri Green is \$6.76
- Zespri SunGold is \$6.31
- Zespri Green Organic is \$9.75
- Zespri SunGold Organic is \$8.40
- Zespri Sweet Green is \$11.61
- Zespri RubyRed is \$11.39

### DEDUCTIONS

The base deduction is equal to 10% of the Potential Yield of each variety for that Orchard, rising by 5% with distributions in consecutive seasons on the same variety.

### IMPORTANT NOTE

The Pool Distribution Policy for Hail Damage provides partial compensation for yield loss due to hail strike. This policy does not provide full indemnity from hail losses and those growers who seek full indemnity or additional cover should consider purchasing additional private hail insurance or discuss with their grower entities.

### CHECK IF YOU'RE COVERED

The policy is for the loss of individual Zespri Class 1 Standard Supply Kiwifruit which is damaged by having been directly struck by hail whilst on the vine and is unable to then meet Zespri export standards as a result of that hail strike.

Growers should closely examine the policy and their risk exposure to hail events and be aware:

- There is an applicable deduction (*10% of Potential Yield of each variety*) under the policy.
- The policy does not provide full compensation against hail losses.
- There may be additional costs or losses associated with a hail event that are not covered under this policy.
- Hail Distributions paid under this policy will be entirely funded by the Pool as no Commercial Insurance is in place.
- In the event that the aggregate amount of eligible distributions for a variety exceeds the Maximum Aggregate Distributions limit per Variety, then the total assessed distributions will be pro-rated down.
- Any Interim Distributions are made earlier when assessed as a "Constructive Total Loss".
- A grower may be required to get a maturity clearance sample at their own cost to assist in identifying their Class 1 Standard Supply potential yield, at the request of the independent loss assessor, contributing to a more accurate potential yield calculation during the harvest window.
- Distributions are paid in September 2024, after publication of the 2024 August Forecast.

## CONSTRUCTIVE TOTAL LOSS (CTL)

The CTL Limit is the level of assessed damage to fruit due to Hail Strike at which the distribution application will be constructively assessed as though the entire unharvested Potential Yield of the affected Orchard (at the time of the Hail Strike) has been lost.

An independent loss assessor will be appointed and will declare (or not) a CTL, according to the following CTL limits:

### Green & Green Organic

- Events on or before 31 December 2023 - 70% damage.
- Events on or after 01 January 2024 but before 01 March 2023 - 60% damage.
- Events on or after 01 March 2024 - 40% damage.

### SunGold (including Organic)

- Events on or before 31 December 2023 - 70% damage.
- Events on or after 01 January 2024 but before 14 February 2023 - 60% damage.
- Events on or after 14 February 2024 - 40% damage.

### Sweet Green

- Events on or before 31 December 2023 - 70% damage.
- Events on or after 01 January 2024 but before 01 February 2023 - 60% damage.
- Events on or after 01 February 2024 - 40% damage.

### RubyRed

- Events on or before 31 December 2023 - 70% damage.
- Events on or after 01 January 2024 but before 01 February 2023 - 60% damage.
- Events on or after 1 February 2024 - 40% damage.

A CTL can only be declared where these limits are breached. For an orchard that has been partially harvested at the time of the hail event, the CTL limit will be applicable to the yield that remains unharvested immediately before the hail event.

## COVERED CANOPY HECTARE REDUCTION

The policy includes a reduction mechanism from the Zespri Pool Distribution Policy for Hail Damage for growers with covered canopies. Orchards that have blocks with solid cover or hail netting will be eligible for a reduction.

The Distribution Deduction for all TEs produced in covered blocks will be 20% of the Distribution Deduction applied to TEs produced in uncovered blocks.

Processed September/October 2024.

To be eligible for this rebate, growers with covered canopies must:

- Have covered canopy erect by 01 October 2023.
- Have a minimum of 0.20 hectares covered or an entire variety on orchard covered.
- Have volume submitted into Zespri inventory that is from the area covered with hail netting or solid cover.
- Have indicated on their Spray Diary for the season, before 31 March 2024, blocks that have hail netting or solid cover.
- The covered canopy reduction amount must be more than \$100 at KPIN variety level for the reduction to be processed.
- Growers should contact post-harvest or the Zespri Support Services Team to update the cover status. The deadline is 31st March 2024.

Zespri must confirm and agree the covered area production and will verify or audit this during the season.



### HAIL TOP-UP / GROWER ENTITY SCHEME

Whilst the Zespri Pool Distribution Policy for Hail Damage provides some protection to all grower's additional measures could be considered to assist with reducing the impacts of hail losses or for providing extra financial support should your orchard be struck. Hail nets over canopies are an available means for protecting the fruit and vines from hail. As the Zespri Policy does not provide full compensation against hail losses, those growers who seek a higher level of compensation from losses can consider:

- Any additional available private hail insurance options,
- Discussing with your insurance advisor about parametric options (an alternative to traditional insurance that offers pre-specified payouts based on specific criteria being met),
- Discussing entity level covers with your grower entities where available.

### WHO CAN HELP

For further details please refer to the full policy wording on Canopy for the Zespri Pool Distribution policy for Hail Damage.

If you have any questions, please contact:

**Your Grower Entity Representative**

or

Grower Support Services ([contactcanopy@zespri.com](mailto:contactcanopy@zespri.com))  
0800 155 355

or

**Zespri Insurance team** ([insurance@zespri.com](mailto:insurance@zespri.com))

### IF A HAIL STRIKE AFFECTS YOUR ORCHARD

Within 72 hours of an event, you should notify the Zespri Grower Contact Centre on **0800 155 355** and provide the following:

- Your name and KPIN.
- Physical location of your orchard.
- The date and time the event occurred.
- Are you the owner or lessee of the orchard?
- Estimate of percentage of fruit damaged.
- Any additional information that may be helpful to the loss assessor e.g., hail stone size, leaf cover damage.

Then:

- Zespri will register a Hail Distribution Application under your KPIN.
- Zespri will send the above details to an independent loss assessor.
- The independent loss assessor will contact you to arrange a suitable time to come and carry out a preliminary estimate of hail damage on your orchard.

### POLICY RENEWAL

The Pool Distribution Policy for Hail Damage is reviewed annually before 1 August. Any changes will be communicated accordingly.

For further information and full policy documents, processes and application please refer to Canopy.

[Pool Distribution Policy for Hail Damage \(zespri.com\)](https://www.zespri.com/pool-distribution-policy-for-hail-damage)

### BEWARE

If you proceed with harvest before assessment, you will only be compensated for hail damage found during grading and packing within policy timeframes. If you choose to select pick you must have an on-orchard assessment before harvest for unharvested fruit to be included in your distribution application.

**It is important you do not do anything to mitigate the damage before discussion with the loss assessor as the assessor may need to sight the damage as part of their assessment.**

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