



FOREWORD

Welcome to the 2024 edition of the Kiwifruit Book. This book serves as an up-to-date resource for new growers and secondary school students/teachers. Updated bi-annually, the Kiwifruit Book covers all aspects of the industry - from orchard practices and industry structure to relevant data on international marketing and exporting of New Zealand kiwifruit.

2024 marks significant milestones for our industry. It has been 120 years since Isabel Fraser brought kiwifruit seeds to New Zealand, 35 years since the Kiwifruit Marketing Regulations came into force, 30 years since the formation of NZKGI, and 25 years since the emergence of Zespri Group Ltd.

Following several challenging COVID-impacted seasons, compounded by adverse weather events and fruit quality issues in 2022/2023, the industry placed quality at its core for the 2023/2024 season. Through careful planning and exceptional teamwork among industry stakeholders, this commitment has resulted in a record production of over 197 million trays in the 2024 harvest. Looking ahead, New Zealand's supply is forecasted to increase to 208 million trays by 2028.

NZKGI's Labour Strategy continues to prioritise attracting and retaining New Zealanders for employment. However, increased investment in packhouse automation has reduced the demand for seasonal workers during harvest. This, combined with the return of backpackers to the country, has led to an overall reduction in the industry's labour shortage.

NZKGI commissioned BERL, a leading provider of economic research, analysis, advice, and consultancy, to analyse the benefits, costs, and barriers of the single desk arrangement for New Zealand kiwifruit. In their report, BERL recognises the New Zealand kiwifruit industry as an international marketing success story. The Single Desk arrangement has been used strategically by Zespri to build a strong international brand, drawing significant income to New Zealand kiwifruit growers and postharvest suppliers, as our kiwifruit commands a significant premium on retail shelves worldwide.

At this time of writing the industry is looking at their global supply and the proposed expansion by Zespri (ZGS). Zespri's vision is to create sustainable long-term value for kiwifruit growers by offering consumers Zespri kiwifruit yearround. Currently, there is a 5000-hectare cap on international SunGold plantings. As demand increases and competitors seize the opportunity to build their own brands, Zespri proposes to expand the ZGS SunGold plantings by up to 2500 hectares over six years across Italy, France, Japan, Korea, and Greece. Growers will have the opportunity to vote for or against this proposal in November 2024.

I hope that you enjoy using this book and find it to be a valuable resource. If you would like more information on featured topics in this book or can contribute to the next edition please email NZKGI at info@nzkgi.org.nz

Vanessa Malloy,

Workforce Manager, NZKGI

CONTRIBUTORS

NZKGI would like to sincerely thank all those that have invested their time into the research and development of information that has contributed to this kiwifruit book. Your input, directly or indirectly, has been of huge value.

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This chapter provides the reader with an historical overview of New Zealand's kiwifruit industry, which explains the major events throughout the past century that shaped the kiwifruit industry into what it is today.

Section 1.7 looks at the current industry structure and the key organisations within, and **Section 1.8** examines New Zealand's unique growing environment and recent performance statistics from the 2023/2024 period.

THE SECTION IS DIVIDED AS FOLLOWS

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1.1 THE BEGINNINGS

Kiwifruit seeds were first brought into New Zealand from China in 1904 by Isabel Fraser who was a teacher hailing from Whanganui. At the time, kiwifruit was known by its Chinese name Yang Tao and English names Chinese Gooseberry and Monkey Peach. In 1928, New Zealand grower Hayward Wright bred a cultivar of kiwifruit known as 'Hayward'. This is still the most widely grown green variety worldwide.

The first kiwifruit exports were in 1952. The exports went to England from Jim McLoughlin's orchard on Number 3 Road, Te Puke. The name change to "Kiwifruit" didn't occur until 1959, when exports to the USA market commenced to Frieda's Inc. a privately owned company, based in Los Alamitos, California.

Freida Caplan felt that the name Chinese Gooseberry was not iconic for a fruit that was being grown and imported from New Zealand. Together with Jack Turner from Turners and Growers the

name Kiwifruit was developed and adopted.

The association with New Zealand and the name Kiwi is understood to have come about due to American soldiers in both World Wars naming the New Zealand soldiers as "Kiwis" after the association with the Kiwi boot polish.

Kiwi is a global brand of boot polish, originally developed in Australia in 1906 by William Ramsay. Its success in Australia was matched overseas after it was adopted by New Zealand, British and United States armies in both World Wars due to its waterproofing properties.

Ramsay named it "Kiwi" after the flightless bird native to New Zealand, the home country of his wife, Annie Elizabeth Meek.

The spread of Kiwi shoe polish around the world enhanced the popular appeal of the kiwi as New Zealand's national symbol and the name for its citizens.





Right: Hayward Wright

Bottom right: Kiwi Boot Polish



1.2 1960 - 1980

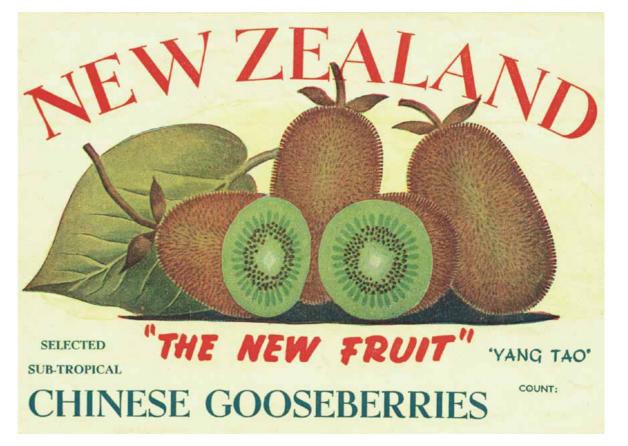
New Zealand's kiwifruit industry is vouthful in comparison to many other primary industries. Its real commercial beginnings sit in the 1960s. The first industry body, the Kiwifruit Export Promotion Committee, was formed in 1970. This led to the New Zealand Kiwifruit Authority (NZKA), which was established in October 1977.

The structure of NZKA was very different to what exists today with its role being to license exporters, such as Turners and Growers, the New Zealand Fruitgrowers' Federation and Auckland Export. At its peak the NZKA had up to seven exporters licensed.

As well as licensing, the NZKA coordinated packaging and had authority over export grade standards and promotion, but it had no control over sales and marketing activities.



Below: The first commercial exports of kiwifruit showing the packaging and advertisements of the era



1.3 1980 - 1990

From the mid-1980s production was booming. In 1981 for example, 22,000 tonnes of kiwifruit were exported. By 1987, that had risen to 203,000 tonnes. Over the same period the return to growers per tray had dropped from \$7.84 in 1981 to \$3.00 in 1987. This resulted in 91 percent of growers making a loss from their kiwifruit operations. A dramatic rise in the New Zealand dollar (NZD) in 1987, followed by inflation reducing policies by the Reserve Bank of New Zealand (RBNZ), led to interest rates reaching their peak at 20.5% in June 1987.

Over-production along with the rise of the NZD made the price of New Zealand kiwifruit expensive in overseas markets and therefore reduced demand. The lack of returns combined with kiwifruit land values falling led to an equity crisis for many growers. This was the turning point that started the debate about the advantages of having one exporter (known today as Single Point of Entry or SPE) over multiple exporters.

In 1987, because of heated debate on the topic, the NZKA engaged a consultant's report. A referendum was then held in September 1988. The industry's set target was to get 80% grower support for the SPE. The fall in export prices and the undercutting between the seven kiwifruit exporters were key arguments in favour of the creation of the SPE. In the end, 84% of growers supported the creation of the Kiwifruit Marketing Board with statutory powers to buy all kiwifruit that was to be exported. The New Zealand Kiwifruit Marketing Board (NZKMB) came into being and its first season of operation was 1989/90. This ended the multi-exporter regime and replaced it with the single desk marketing structure that the kiwifruit industry has today. This foresight has allowed New Zealand kiwifruit growers to collectively develop their industry into a global business with concerted investment in branding, marketing, quality, and research and development.

Below: The Zespri System showing how the single point of entry simplifies the exportation process





1.4 1990 - 2000

The 1992/93 season was a disaster for the New Zealand kiwifruit industry. New Zealand and international kiwifruit volumes continued to grow, and problems came to a peak during this season as a result of various factors such as bad management and governance. The NZKMB got into serious difficulty with growers being over-paid resulting in massive debt. The NZKMB with strong grower support reacted decisively, and the debt was paid off over the ensuing 18 months.

Because of what had occurred, the industry put in place a three-stage review that incorporated major structural change.

- **1. New Zealand Kiwifruit Growers Incorporated** (NZKGI) became operational in July 1994.
- 2. Marketing and branding were reviewed which led to the creation of the Zespri brand, which was launched in the 1996/97 season, and the creation of Zespri as a separate marketing and sales organisation.

marketing and the industry's operational structures were looked at and as a result, a report was presented to NZKGI. A referendum was held, and the structure of the industry altered (in 1996/97) to include three separate organisations – NZKGI, which was already functioning as the representation organisation for kiwifruit growers, Zespri as a marketing company, and other industry functions were

3. Corporatisation, collaborative

The positive results of the three-stage review included the formation of the Zespri business, the establishment of collaborative marketing, and a more efficient on-shore operational structure. The three-stage review also incorporated 12-month supply, new varieties and plant breeding.

operated by the NZKMB.

It was in 1997 that Zespri Gold was launched on a commercial basis and was the first time there was an alternate successful variety to the Hayward. Furthermore, the three-stage review formed the basis of today's kiwifruit industry, and the way in which it operates.



Above: NZKGI became operational in July 1994



1.6 2010 ONWARDS AND THE ESTABLISHMENT OF KISP

In 2014, the Kiwifruit Industry Strategy Project (KISP) was established with the aim of developing a strategy to achieve the industry's long-term market, strategic and financial goals for the benefit of New Zealand's kiwifruit growers.

To help shape the core KISP principles and guidelines, the Industry Advisory Council (IAC) appointed a working group made up from the three corners of the industry structure - growers, postharvest and Zespri. The KISP project began by establishing a broadly agreed set of key principles to guide industry discussion and decision-making when agreeing to a long-term strategy for the New Zealand kiwifruit industry.



These Key Principles Included:

KISP Framework

• The New Zealand kiwifruit industry must act responsibly and ethically on all economic, sustainability, environmental, social and regulatory issues to the benefit of New Zealand kiwifruit growers and the wider New Zealand community.

Single Point of Entry (SPE)

 The Single Point of Entry is retained and enhanced to maximise its performance for New Zealand kiwifruit growers.

Industry Governance

- Given the increasingly competitive international market, Zespri governance must meet world-best practice standards so that it delivers on its purpose.
- Effective leadership and governance of all industry structures must be supported by effective New Zealand kiwifruit grower control, representation and consultation.

Zespri Ownership

 New Zealand kiwifruit growers must own and control Zespri and be the main beneficiaries of Zespri performance.

Marketing

· Zespri's purpose is to be the "best in class" international branded kiwifruit sales and marketing organisation to ensure a sustainable New Zealand kiwifruit industry that maximises New Zealand kiwifruit grower returns.

- Zespri-branded kiwifruit is the best available kiwifruit around the world 12 months of the year for the overall benefit of New Zealand kiwifruit growers.
- · The New Zealand kiwifruit industry must have a process to evaluate and implement genuine innovative commercial and marketing ideas, including collaborative marketing, that are aligned to Zespri's global marketing strategy and for the long-term benefit of New Zealand kiwifruit growers.

Supply Chain Effectiveness

· The New Zealand kiwifruit industry must have an efficient, competitive and responsive onshore postharvest sector that is aligned with the industry strategy, offering grower choice that is integrated into an efficient global supply chain. The New Zealand kiwifruit industry must have a world-class global supply chain from orchard to consumer.

Innovation

- · To maximise the New Zealand kiwifruit industry's global competitive advantage, the New Zealand kiwifruit industry must continue to develop and implement a world-class and sustainable R&D programme.
- · As an integral part of the SPE, the New Zealand kiwifruit industry must have the ability to develop, own, licence, control and maximise the value generated from the world's leading portfolio of kiwifruit Plant Variety Right varieties.

Funding

· Zespri is funded and remunerated appropriately to ensure it can deliver the full scope of its responsibilities.

KISP Principles Established

In a referendum held in March 2015, New Zealand kiwifruit growers turned out in record numbers to vote on the proposed KISP Principles developed by the KISP working group. Two thirds of New Zealand growers representing 80 percent of production voted in the Kiwifruit Industry Strategy Project referendum. 91% of growers who voted supported the ten propositions.

The key results in the referendum were:

- 98% of growers supporting the industry's Single Point of Entry structure
- 92% of growers supporting the implementation of a cap on Zespri share-holding
- 91% of growers supporting a change to how Zespri is funded to maximise returns to New Zealand growers
- 94% of growers supporting changes to their industry representation to ensure they determine grower equity decisions about grower payments

Following the referendum, the KISP group asked the Ministry for Primary Industries to revise the Kiwifruit Regulations to allow implementation of the KISP recommendations. MPI issued a public consultation paper in early 2016 and a revision of the Kiwifruit Regulations was announced in August 2016.

Amendment of Kiwifruit Regulations

In July 2017, an amendment was made to the Kiwifruit Export Regulations which resulted from growers requests in the 2015 KISP Referendum. The revised regulations address three main areas:

- · Shareholder alignment;
- · Zespri's core business, and;
- The governance and funding of the regulator Kiwifruit New Zealand (KNZ).

The regulations enable Zespri to make changes to its constitution to allow for greater alignment between Growers and shareholders. The regulations also expand the definition of core business which is expected to provide stability to Zespri as the industry grows, maximizing the wealth of New Zealand kiwifruit Growers. The regulations have made significant changes to the governance and funding of KNZ and while growers no longer had a majority on the KNZ Board, independent expertise was made available. As supported by the KISP referendum, KNZ also have greater flexibility in funding their operations but also enhanced reporting requirements.

Changes for Zespri Shareholders

In March 2018, Zespri shareholders voted on changes to the Zespri constitution to strengthen grower ownership and control of Zespri. Growers are now entitled to hold up to 6 shares per every tray of production (production is calculated by taking the average of the best 2 of the last 5 seasons). Overshared shareholders are required to sell their overshared portion within a set amount of time (usually 3 years). Shareholders without production (termed dry shareholders e.g., retired growers) stop receiving dividend payments after a set time (3 years) after becoming dry. Shareholders can vote at Zespri Annual Meeting each year, with votes capped at one vote per share or one vote per tray of production, whichever is the lesser. It is not compulsory for growers to own shares. In 2024, below 47% of growers are shareholders.

1.7 KEY ORGANISATIONS

Right:
This diagram shows the different groups in the kiwifruit industry and how they work together to make industry decisions



NZKGI NEW ZEALAND KIMARUT GROUER

New Zealand Kiwifruit Growers Incorporated (NZKGI)

NZKGI was formed following the downturn in the kiwifruit industry in 1993 to give growers their own organisation to develop a secure and stable kiwifruit industry. NZKGI represents kiwifruit growers and protects their political and commercial interests. Key roles include safeguarding the Single Point of Entry (SPE), supporting grower well-being and welfare, consulting with growers on industry initiatives and reporting on Zespri's performance. The NZKGI Forum is made up of 16 elected regional grower reps, 1 Māori Forum rep, and 8 supply entity reps.



Zespri International Limited (Zespri)

Zespri is a limited liability company, owned by NZ kiwifruit producers (shareholders), which in addition to its role as the single desk marketer also provides logistics services and research and development management for the kiwifruit industry. The Zespri team is made up of almost 700 employees based in Mount Maunganui and throughout Asia, Europe, and the Americas.

Zespri Board

The Board provides strategic direction for the company and ensure it meets all regulatory requirements. Zespri's eight Board Members bring a wide range of experience, from international marketing and corporate governance to industry knowledge and financial expertise.



Kiwifruit Vine Health (KVH)

KVH is a biosecurity organisation, established in 2010 to lead the response to the Psa incursion. Since 2012, KVH has been the organisation responsible for managing all biosecurity readiness, response, and operations on behalf of the kiwifruit industry. KVH works collaboratively with Growers, Zespri, NZKGI, the postharvest and associated industries, and Government.



Plant & Food Research

Plant & Food Research is a New Zealand-based science company that is a government owned Crown Research Institute. Approximately 100 of the 900 people employed by Plant & Food Research carry out 60% of the kiwifruit industry's research. Kiwifruit has a broad research programme which covers new cultivar development, supply chain and consumer added value. Plant & Food Research have a site in Te Puke that is home to the largest kiwifruit breeding population outside of China.



Māori Kiwifruit Growers Incorporated Māori Kiwifruit Growers Forum Incorpor

Māori Kiwifruit Growers Forum Incorporated (MKGI) advocates for the interests of Māori kiwifruit growers nationwide. MKGI supports Māori to grow successful kiwifruit enterprises and seeks opportunities throughout the kiwifruit sector for current and future generations. MKGI is governed by 11 elected members and 1 NZKGI Māori representative who represent the current Māori growing regions in Aotearoa New Zealand.



Kiwifruit New Zealand (KNZ)

The export of New Zealand kiwifruit is regulated through the Kiwifruit Export Regulations 1999. These regulations permit a single marketer to export and market the majority of New Zealand grown kiwifruit outside of Australasia. This position is called the 'Single Point of Entry' (SPE). The Kiwifruit Export Regulations are monitored and enforced by Kiwifruit New Zealand. As the kiwifruit industry's regulator, KNZ gives Zespri the mandate to be the vehicle of the SPE. KNZ also have the mandate to allow other exporters to trade New Zealand grown kiwifruit outside of Australasia and do so on a case-by-case basis in collaboration with Zespri. This is dependent on the value those exporters can derive for growers over and above what is achieved by Zespri.

Industry Advisory Council (IAC)

The Industry Advisory Council is specifically concerned with the financial, tax and government related aspects of the kiwifruit industry, for the improvement of grower wealth. IAC manage issues relating to the Supply Contract, decisions relating to the treatment of and payment for fruit and matters with material financial implications for growers. IAC has 5 Grower reps, 5 Zespri reps, and 5 Supply Entity reps.

The Industry Supply Group (ISG)

The Industry Supply Group manages decisions relating to the global supply chain process. Specifically, they monitor quality assurance and rules around labelling, packaging, and the export of kiwifruit. ISG also help in the negotiation of industry wide commercial contracts relating to supply chain activities. ISG has 3 grower reps, 5 Zespri reps, and one rep appointed by each registered supplier.

Postharvest

The industry has approximately 40 packing facilities, 55 cool stores and 16 Zespri Registered Suppliers. Kiwifruit arrives at these facilities in the kiwifruit bins that they are picked into, where it is then quality assessed, sized and packed into boxes. From here, the packed fruit either gets stored in a cool store or transported to consumers around the world.

1.7.1 Levy-Funded Organisations

KVH

KVH is funded through two grower levies: a National Pathway Management levy for the management of Psa, which from the year ending 31 March 2026 is set at \$0.006 cents/tray; and a levy for biosecurity readiness and response activities which is set at \$0.008 cents/tray. KVH's levy is renewed annually at their AGM.

NZKG

A grower levy is used to fund the operations of NZKGI. In 2023, NZKGI were given a mandate by kiwifruit growers to work on their behalf for the next six-year kiwifruit levy cycle. 85% of growers participating in the referendum voted to continue the levy. The levy is set at 1.3 cents/tray (\$0.0036/kg) and can only be increased by vote at a NZKGI AGM or Special General Meeting.



1.8 NEW ZEALAND'S COMPETITIVE **POSITION GLOBALLY**

Above: Birds eye view of kiwifruit and avocado orchards in the Bay of Plenty (Bevan Jelly, NZ Avocado)

Regional production of kiwifruit in New Zealand

New Zealand has some of the best growing conditions in the world. Clean air, fertile soils, a cool ocean, generous climate, and fewer pests and diseases all contribute to the unique quality and taste of New Zealand grown kiwifruit. 79% of New Zealand grown kiwifruit comes from the Bay of Plenty.

There are approximately 2,837 kiwifruit growers in New Zealand and around 14,664 hectares of kiwifruit in production. New Zealand grown Zespri kiwifruit generated global sales revenue of \$2.7 billion in the 2023/24 season and sold 135.6 million trays (3.55kg = 1 tray).



The return made by New Zealand kiwifruit export revenue in the 2023/24 year is significant in comparison to other fruit and vegetables. Kiwifruit was \$2.7 billion whilst total horticultural export revenue was just over \$7 billion. Kiwifruit represents 40% of the total horticultural export revenue. Although New Zealand grown kiwifruit export returns are large in comparison to other New Zealand horticultural products, kiwifruit is a small fruit category in a global context. While the world total production of kiwifruit has been increasing, the kiwifruit remains a niche fruit, taking up an estimated 0.22% of the global fruit bowl, which is dominated by apples, oranges, and bananas.

Number of hectares of kiwifruit produced in each region

Regional area of producing kiwifruit in the 2023/2024 year in hectares	
Northland	675
Auckland	654
ВОР	11,599
Waikato	556
East Coast	581
Hawke's Bay	110
Lower North Island	78
South Island	412

New Zealand kiwifruit growers compete against other kiwifruit growers from other countries and other fruits available in the market at the same time as New Zealand kiwifruit. New Zealand kiwifruit faces competition in all markets from a wide range of fresh fruit and consumer products. Many other producers attempt to capture market space using price while the New Zealand strategy is more about adding value through product taste, quality and consistency, branding, promotional support and reliable supply.

Picture of fruit stand representing the competition New Zealand faces in the market place







1.9 THE FUTURE

Worldwide demand for kiwifruit is strong, built on a high-quality, great-tasting product, sustained investment in sales and marketing activities and the growing trend of health and wellbeing among consumers who also value products which are produced in ways which are good for the environment. It is also built on meeting customer and consumer demands by giving the market what it wants, including a 12-month supply.

Zespri is operating in an increasingly competitive and complex marketplace. Its ability to maximise returns is subject to maintaining its category leadership position, including increasing supply to fulfil demand with its own supply of high quality Zespri

It is forecasting an increase in total supply from 195 million trays in the 2024 harvest season to 228 million trays in 2029. This is equivalent to 17 percent volume growth.

Zespri's strategy is focused on maximising value now and ensuring it is investing to create value in the future. That includes delivering outstanding fruit, supply chain and sales and marketing performance, and developing the varieties of the future, with innovation playing a critical role in the industry's ongoing success. That includes the Kiwifruit Breeding Centre, a joint venture between Zespri and Plant & Food Research established in 2021, which is focused on driving greater and faster innovation within kiwifruit breeding, with the aim of creating healthier, better-tasting, and more sustainability focused varieties.

There are around 14,664 hectares of kiwifruit vines that are currently producing kiwifruit in New Zealand. The development of kiwifruit orchards has significantly advanced over the last 120 years, particularly in the last 10 years. This chapter identifies important aspects of orchard development.

THE SECTION IS DIVIDED AS FOLLOWS

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2.1 SITE SELECTION

Kiwifruit is a vine that requires relatively specific climatic conditions:

- Warm, sunny summers for accumulation of dry matter
- Sufficient winter chill (600-1100 hrs below 7°C) for good bud burst and floral development

Ideally, sites should be north-facing and relatively flat. Higher elevations are cooler and wetter, so 200m above sea level is considered the upper limit for successful production. With climate change making rainfall patterns more unpredictable, access to water for irrigation and frost protection must be a consideration, so water consent requirements in the area should be known.

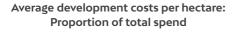
The term "greenfield conversion" is used when land used for farming or another use is converted to a kiwifruit orchard. The conversion process involves initial capital costs of:

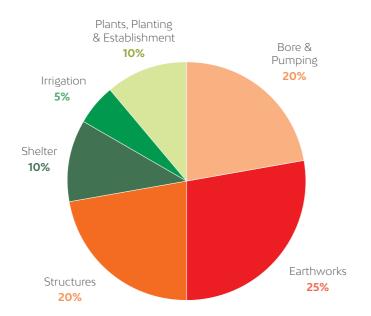
 Site preparation (with possible earthworks for contouring)

- · Establishment of shelter
- Establishment of water supply and reticulation
- Marking out configuration, establishing support posts and wires
- Canopy structure (steel ag-beam and wire)
- Planting of rootstock and grafting kiwifruit or planting pre-grafted kiwifruit plants
- In some orchards, frost protection (via water or windmill) and overhead hail protection may be included

Once the initial capital work has been completed, vine and orchard maintenance is required to establish the orchard to the producing stage in around three years. Consideration needs to be given to the lack of return for a period of 3-5 years before orchards reach maturity and are covering their annual growing costs.

Right: Figure One: Breakdown of the development costs per hectare





2.2 SITE PREPARATION

Soil quality can be critical for good kiwifruit production. The initial site choice in locating an orchard can save a lot of ongoing work. Well drained loam soils with moderate pH (6-6.5) and organic matter >4% are ideal. Compacted soils, or soils with little drainage and high clay content, and/or low organic matter are generally unsuitable and will require considerable modification before being fit for kiwifruit production. Kiwifruit require relatively high levels of nitrogen in their establishment phase and high levels of potassium once cropping.

Soil Quick facts

Clay soils have high potential fertility but drain slowly and are slow to warm in spring. They are prone to compaction.

Sandy soils drain and warm quickly but require frequent inputs to maintain fertility.

Silt soils have characteristics between clay and sandy soils.

Loams are mixtures of clay, sand and silt that avoid the extremes of each type.

Peat soils are very high in organic matter and have good moisture retention.

Chalky soils are very alkaline and may be light or heavy.

Right: Knowing the soil texture and structure is important when establishing an orchard



Contouring involves using heavy machinery to modify the surface to even out the bumps and hollows across a block, or to make slopes more workable. There is risk of compaction and an uneven distribution of topsoil which can impact on soil structure and fertility later.

2.3 SHELTER

It is important to have shelter established before kiwifruit vines are planted. Shelter traditionally referred to vertical wind breaks but more recently overhead cover as well. With climate change, weather patterns are predicted to bring more frequent extreme events e.g., hail. Some of the biggest potential biosecurity risks are incursions by insect species (fruit fly, Brown marmorated stink bug).

Good shelter is also an effective tool for managing spray drift, allowing significantly reduced buffer zones if spraying near sensitive areas. Due to increasing community concerns around agrichemical use, the presence of boundary shelter is becoming a significant factor in maintaining the industry's social licence to operate. Growers should check their district plans because some have requirements about shelter heights and setback distances from boundaries that need to be complied with, otherwise, a resource consent may be required.

Kiwifruit vines do not tolerate wind well. Wind leads to increased physical damage and blowouts of shoots, so young plants and spring canopies are slower to establish. Physical damage can also be an entry point for Psa infection. Shelter is also important for reducing water loss via evapotranspiration when plants are becoming established.

In all orchards, good shelter improves productivity by raising temperatures in the orchard - hastening growth, encouraging bee activity during pollination, and promoting normal flower and fruit development. Shelter also reduces fruit loss due to defects such as wind rub. Gold and Red varieties are more sensitive to this than Green.

Left: Trees planted for natural shelter

Right: Internal shelter helps to keep temperatures up. reduce wind and improve the growth of developing vines



Types of Shelter

Wind reduction is affected by the height, length and porosity of the shelterbelt. Ideally, it should be planted at right angles to the prevailing wind. While there may be site specific constraints such as powerlines, the ideal shelter height is a minimum of 5m. An effective shelterbelt acts as a filter rather than a solid barrier and it should be continuous as the wind will funnel through gaps with increased speed. There are pluses and minuses with all shelter types so careful consideration needs to be made of site-specific factors

· Natural tree shelterbelts take a considerable time to establish but tend to look more pleasing to the eye. Care should be taken to avoid tree



species that harbour pests e.g. Poplar (scale), or any deciduous species. Cryptomeria and Casurina spp. are more commonly used. Natural shelter comes with regular maintenance costs, including trimming, mulching and spraying for pests. It also takes up productive land area, and uses resources that could otherwise be used by the vines.

· Artificial windbreaks are more expensive to install than natural shelter but give immediate protection without competing with the vines. It can be a temporary solution while natural shelters grow up, or for filling gaps. Shelter cloth usually has a tenyear warranty, so the maintenance costs beyond ten years may be much greater than for natural shelter.

Undervine shelter is windbreak cloth run along a row from ground to canopy every 3-5 rows. This also reduces wind damage and retains some warmth in the orchard, without the infrastructure costs involved in installing the large upright supports for vertical shelter. However, it can interfere with some on-orchard practices such as girdling, pruning and harvesting, and reduce spray coverage.

Overhead shelters cover kiwifruit vines with hail netting on the roof and additional windbreak cloth on the sides. Overhead shelters have an expensive outlay cost, but the financial rewards can be significant, particularly for sites where wind may impact productivity. The benefits include:

· Eliminating the impact of a hail event, provided the cloth is in good condition

- · Significant reduction in wind speed
- Elimination of wind turbulence
- · Reduced leaf wetness and vine damage, minimising the risk of Psa infection and spread
- · Improved pest control (if orchards are completely enclosed)
- Earlier production
- · Higher yields resulting from fewer rejects

Overhead shelter has been associated with greater bee mortality and decreased pollination with traditional pollination systems. Ongoing research is revealing new strategies for improving pollination while maintaining hive health.

Table 1. Natural Shelter			
Advantages	Disadvantages		
Cheap to establishWithstands strong windsCan provide biodiversityCan be a good barrier to spray drift	 Utilises productive land Competes with vines for light, water and nutrients Long establishment time Can harbour pests High annual maintenance costs 		
Artificial Shelter			
Advantages	Disadvantages		
 Instantly established Allows full land utilisation Relatively easy to maintain Does not compete for resources with the vine Can assist pest control 	 Expensive Unattractive to some people May constrain some orchard activities May impact bee activity 		

2.4 WATER

Historically, access to water has been relatively straight forward, with the early orchards established in the Bay of Plenty where regular rainfall and deep ash soils allowed crops to flourish without irrigation. Climate change, changing land use, increases in plantings and expansion into other regions, are all increasing industry demand for water. At the same time there are increasing constraints on water use, due to fully or over-allocated local water resources, along with societal demands to demonstrate the prudent use of water. Access to water, including water storage, is now a key factor in decision making for orchard development. For more on the industry water strategy see Ch 4.

Research has been completed on Kiwifruit water demands. Kiwifruit vines fulfil their water requirements from available soil moisture, rainfall or irrigation. Vines lose water through evapotranspiration (ET). A measure of their water needs therefore equals the daily ET, measured in millimetres (mm), which depends on the size of the canopy as well as environmental factors (solar radiation, air temperature, humidity and wind speed). ET in spring is 2-3mm per day and rises in midsummer to 4-5mm per day, dropping away through autumn. Usefully, 1mm equals one litre per square metre, so in mid-summer kiwifruit vines use 4 to 5 litres of water per square metre of canopy per day.



	Spring	Summer
7 day average ET	3mm	5mm
Canopy extent	24m²	24m²
Canopy fill	75%	100%
Daily kiwifruit water use	54 litres	120 litres

Figure 1. Daily vine water use is calculated by multiplying ET by the effective canopy area per vine.

Young developing vines have different water requirements from mature vines due to their smaller canopies and root systems. A new vine may begin the season with only around 1m² of canopy compared with 35m² for a mature vine. However, because the newly developing leaves are more exposed, and the root ball is small, the volume of water required per vine is greater than the figures above suggest. Soil type is a significant factor in determining how much and how often a block of kiwifruit is watered. Variation of soil types within an orchard requires some precision irrigation so that water is not wasted and vines are not stressed. Soils with a high proportion of pumice will drain more quickly than soils with a high proportion of clay and will require more frequent watering.

Kiwifruit vines that run short of water, especially during phases of rapid growth, will wilt and the leaves will quickly go brown. Kiwifruit vines suffering from drought will produce smaller fruit and excessive drought can reduce the following season's yield. Excessive irrigation, particularly in clay soils, can also be detrimental to the productivity of kiwifruit vines. Kiwifruit roots are sensitive to a lack of air and if the roots remain under water for 24-48 hours it will result in root death from which the vine is slow to recover. Growers are paid for both fruit size and dry matter. Water stress can constrain fruit growth any time in the growing season but will have the greatest impact in the six weeks after flowering. Some growers reduce irrigation later in the season to improve dry matter, however this should be managed with caution as it can have a detrimental effect on fruit size and vine health.

Irrigation is generally applied through drippers, micro-jets or micro-sprinklers. Drippers focus water delivery next to or in between the vines while jets and sprinklers will target a wider area. Some systems can be raised or lowered to provide both irrigation and frost protection services. Irrigation methods that wet the canopy can contribute to an increase in Psa disease risk.

Sprinkler used for irrigation



2.5 SUPPORT STRUCTURES

Kiwifruit vines need to be trained onto a support structure for commercial cultivation. Historically, vines were grown on a T-Bar system which was cheaper to construct and easier to maintain. However, greater yields (>20%) are achievable with pergola systems. These allow the canopy area to utilise virtually 100% of the land area with maximum light interception, resulting in a more consistent crop. With labour constraints forecast to continue, research is ongoing into new growing systems that may provide solutions such as mechanised pruning or harvesting.

Grafted kiwifruit stumps with pergola structures and wires in place ready for training (Shane Max, Zespri)

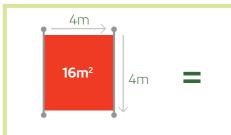
Right: T-Bar grown kiwifruit vines





Ideally, rows should be oriented in a north-south direction to optimise light onto both sides for the vine. Depending on the extent of shelter, rows should be at right angles to the prevailing wind. There is no standard bay size or planting configuration in the industry, and there are advantages and disadvantages to consider in both. Row spacing around the world ranges from 3-6m, with 3.5-4.5m being the most common in NZ. Post spacing refers to the distance between posts within a row, with a bay being defined by the 4 posts in each corner. Vine spacing refers to the distance between vines within a row, which may or may not be the same as the post spacing. Sometimes vine density is increased to speed up canopy establishment - one vine between posts is "single planting" while two is "double planting". Bay size cannot be changed once the orchard is established but planting density can be altered later by adding or removing plants.





SMALLER BAYS

- · Increased infrastructure costs
- · 20% more plants
- · Faster establishment and time to production

2.6 PLANTING

The ratio of male to female plants, and how they are arranged, has implications on the amount of canopy available for growing fruit. The closer a female flower is to a male flower the more likely it is to achieve full pollination. The two main options are Strip Males or Opposing Female (also called Matrix Male).



F	-	F	-	F	-	F
F	М	F	М	F	М	F
F	-	F	-	F	-	F
F	М	F	М	F	М	F
F	-	F	-	F	-	F
F	М	F	М	F	М	F
F	-	F	-	F	-	F
F	М	F	М	F	М	F
F	-	F	-	F	-	F

F Every second row is planted with only Male plants. The male plants may be spaced out (alternate bays). This is most effective with narrower rows (3-4m). This configuration can be very labour efficient			
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F	F	F	F	F	F	F
F	М	F	М	F	М	F
F	F	F	F	F	F	F
F	М	F	М	F	М	F
F	F	F	F	F	F	F
F	М	F	М	F	М	F
F	F	F	F	F	F	F
F	М	F	М	F	М	F
F	F	F	F	F	F	F

Opposing Female
(also called Matrix Male)

Males are interspersed between females in every alternate row, either every second or every third bay. Ideally their footprint is kept small. Male grafts can be added on to the female vines rather than planting separate plants. More labour is required to keep the opposing females from tangling in the middle of the bay, but it is an effective method in wider rows.



М	-	М	-
F	F	F	F
F	F	F	F
-	М	-	М
F	F	F	F
F	F	F	F
М	-	М	-
F	F	F	F
F	F	F	F
_	М	-	М

East-west Strip Males

This is a hybrid of the two configurations and is often used to increase the male distribution in an established orchard. Male plants are planted by the posts and trained across the pergola beam rather than along the leader wire. This requires more careful management to avoid shading the female leaders.

Different kiwifruit cultivars have different ploidy (sets of chromosomes) and not every male cultivar is therefore compatible with every female cultivar. A range of male cultivars have been bred with emphasis on male characteristics such as Psa tolerance, flower numbers, pollen fertility, a long flowering period, attractiveness to bees, and low vigour. Often more than one male cultivar is planted in an orchard to ensure there is cross over of flowering times with the female throughout the whole pollination period. Generally, it is important to use males with the same or higher ploidy than the female for successful pollination.

Example Female Cultivar	Ploidy	Sets of Chromosomes
Hort16A	Diploid	2x
Gold3	Tetraploid	4x
Hayward	Hexaploid	6x

Ploidy	Male Cultivars
2x	Bruce, CK2
4x	M33, M91
6x	Chieftain

2.6.1 Rootstocks

Kiwifruit cultivars that produce desirable fruit do not necessarily have good root systems or resistance to disease. Commercial kiwifruit plants are not grown from seed but are the result of grafting a good fruit-producing cultivar (termed the scion) onto another cultivar with better root growing capability (the rootstock). The rootstock can also impart its characteristics on to the scion, such as low vigour in vegetative growth.

The two most common rootstocks in kiwifruit are Bruno and Bounty (also called Bounty71). Bruno was a commercial cultivar itself up until the 1970s, when Hayward took over due to its better storing properties. Bruno rootstock is grown from open pollinated seed so retains some level of variability. It is hardy, easy to propagate and resilient - particularly in its resistance to Psa. Bounty is a clonal rootstock i.e. it is propagated through cuttings (cloned) so has very little variation in its attributes.

Rootstocks can confer tolerance to climatic and environmental challenges such as waterlogging, drought, extremes in temperature and poor-quality soils. This has allowed for kiwifruit production to spread into more marginal growing areas and may in the future help mitigate the impacts of climate change.

The choice of rootstock can also impact on the timing of the vines development throughout the season (phenology) by as much as one week. This has financial implications for those growers whose fruit is early enough to make the first shipment of fruit to market. Bounty is less vigorous than Bruno and requires higher planting densities to speed up full canopy establishment. Growers developing new blocks can purchase rootstock plants and carry out their own grafting or buy pre-grafted plants, where grafting has been done in the nursery.

2.6.2 Grafting

Grafting is also used when there is a need to change cultivars e.g., from Hayward to Gold3, or as occurred post Psa. Grafts can be applied in different places on the vine: notch grafting (side graft); stump grafting; and sucker/rootstock grafting. There are also different techniques: kerf (chainsaw) grafting; cleft grafting; and whip and tongue grafting. In every case the aim is to line up the transport systems of both scion and rootstock so that there is continuous transport of water and nutrients from the roots to the leaves, and carbohydrate from the leaves to the roots. This is easier to achieve before there is extensive sap flow, the pressure of which can be enough to dislodge

Right: Successfully grafted kiwifruit vines. Notch grafted (left), Stump grafted (centre) and Sucker grafted (right)





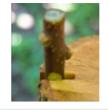


Below: Characteristics of various grafting methods

Mid-winter is the best time to begin grafting and should be completed by late winter. The grafting success rate declines once sap flow starts. The timing of sap flow depends upon several factors including weather conditions, soil moisture and the chosen rootstock. Sap flow normally lasts six to eight weeks.

Kerf (chainsaw) Grafting

- · The whole stump is not split making for easier wound protection/vine health.
- Suitable for **stump** and **notch** grafting types.
- · Can be used on stumps cut very close to the ground.
- Section has to be cut to fit the slot.
- Rootstock needs to be at least 120mm in diameter (this method is best for larger old vines).



Cleft Grafting

- Suitable for all grafting types (stump, notch and sucker).
- Difficult to split the stump if cut close to the ground.
- Tension of the cleft helps to hold the scion in securely.

· Size of graft wood not a factor.

- Difficult to re-graft failures.

Whip & Tongue Grafting

- Suitable for sucker/rootstock grafting.
- Size of graft wood not a factor.
- Tension of the whip and tongue helps hold the scion wood securely.



ORCHARD DEVELOPMENT

Right: Looking down on a kiwifruit stump where the canopy has been cut off and two short pieces of budwood (scion) cleft grafted on



Summer grafting is possible, but sap flow must be carefully managed. Summer grafting is generally not as successful as winter grafting and is usually only used when abnormal conditions exist. For example, if there was a high rate of grafting failure in winter, or high levels of Psa infection in the grafts. The earlier summer grafting is undertaken (November) the better the subsequent growth.

Post grafting care and graft hygiene are of the utmost importance when it comes to ensuring graft success. New shoot growth is vulnerable to damage from birds, caterpillars, bronze beetle, slugs, and snails, as well as diseases such as Psa. It is important to keep the base of stump free of weeds and use slug pellets around the base and on top of the stump.

Grafting wounds can be sealed with a wound protectant to prevent water from entering the graft union and will protect the graft against infection.

The links below are two videos showing the grafting methods outlined above.

READ MORE HERE:

www.youtube.com/watch?v=4lkpc7pv41g www.youtube.com/watch?v=QV4AlCjPUIE

2.7 FROST PROTECTION

Frost damaged fruit are not edible or saleable and frost damage to vines can kill flowerbuds and negatively impact productivity of kiwifruit vines the following season. Gold and Red varieties are more at risk of spring frost damage as budbreak occurs earlier than in Green. Hayward fruit is more susceptible to autumn frost damage as they are generally harvested later.

Most of the horticulturally significant frosts in New Zealand are radiation type (rather than advection frosts, which are when a blast of freezing air occurs). Radiation frosts occur on nights with clear skies and little or no wind. As heat is radiated away from the ground and vegetation surfaces, the warmed air rises and is replaced by cold air moving down. This creates an inversion layer. This cold air draws further heat from the plant material. When the cold air is below 0° Celsius a frost occurs, which can result in irreversible damage to the plant tissue.

There are three main types of frost protection: heating, mixing (to disturb the temperature inversion) and radiation barriers. In kiwifruit, the most widely used methods are sprinkler systems (heating) and wind machines (mixing).

Left: Severely frost damaged kiwifruit leaves (Shane Max, Zespri)

Right: Ice on kiwifruit (Shane Max, Zespri)





Heating

Sprinkler-based frost protection systems use the heat released when water changes state from a liquid to a solid. Spraying water at an appropriate rate onto a crop under frost conditions causes a layer of ice to slowly develop over the vines. Provided the surface of this ice layer is kept wet, the temperature of the enclosed plant tissue will not drop below about minus half a degree, even though the surrounding air may be at a much lower temperature. This requires a considerable amount of water (≥ 3mm/hr/ha or around 300,000L per hour on a 10ha orchard, greater than the flow rate required for irrigation). Sufficient water supply and well-draining soils are critical.

An older method of frost protection is direct heating by portable heaters and/ or frost pots, fueled by combustion (oil, natural gas, LPG, special solid fuel blocks, candles made from wax, compressed wood waste or other similar materials). Effectiveness decreases with distance from the heat source.

Right: New growth protected from frost damage by a sprinkler system



Mixing

A wind machine or frost fan is essentially a large fan at the top of a 10 or so metre $\,$ high tower, located in the center of the area to be protected. The 'jet' of air produced by the fan draws the warm air from above the orchard and mixes it into the colder air closer to the ground. Depending on topography and block layout, one fan can protect an area of 4-6 ha. Flying a helicopter at relatively slow speed across the orchard area can also effectively mix the air and provide frost protection. The advantage over wind machines is that the helicopter can concentrate on selected areas if required and fly at greater elevations to provide added mixing capability. There are noise considerations with both methods.

Left: Windmill used for frost protection (Shane Max, Zespri)

Right: Helicopters used for frost protection





Radiation Barriers

The principle of a radiation barrier is to reduce the heat lost from the vines and soil surface, and hence increase the vine temperatures. This is achieved by intercepting the outgoing radiation by means of frost cloth or similar.

Overhead shelter (Shane Max, Zespri)



Cold Air Drainage

Since cold has a greater density than warmer air, it settles at the lowest point that it can easily flow to. In kiwifruit orchards, natural or artificial shelter can trap cold air so that it pools, where it can lead to frost damage. Maintaining cold air drainage involves modifying downhill shelter so that cold air can freely drain out of the orchard. This can include removing the lowest metre of foliage from natural shelters so that cold air can flow under, or repositioning shelter to allow for cold air to escape.

2.8 STRINGING

Many orchardists, during the conversion or establishment stages of orchard development employ a management practice called stringing. This is when new growth from the grafted scions is grown up strings to boost vigour through apical dominance. When the strings are lowered these new canes become the leaders; they switch to a lateral growth habit which fills the canopy area and allows growers to move into production sooner. Once the canopy has developed, some growers choose to train their vines to a low vigour system, while other growers will continue to grow canes up strings every season, effectively refreshing their canopy each year. However, canes growing up strings above the canopy receive far less spray coverage than those trained along the pergola wires, as the canopy acts as a barrier to spray reaching those canes.

Pergola kiwifruit block set up for growing up strings (Shane Max, Zespri)



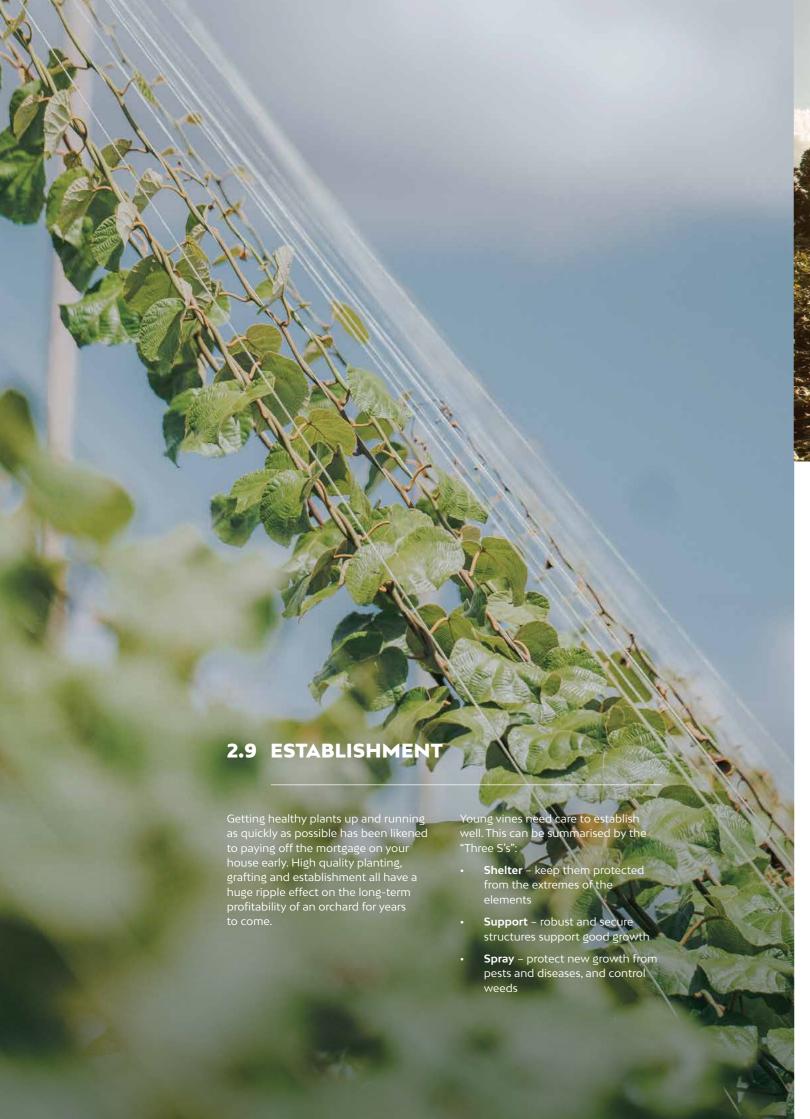
Kiwifruit vines growing up strings

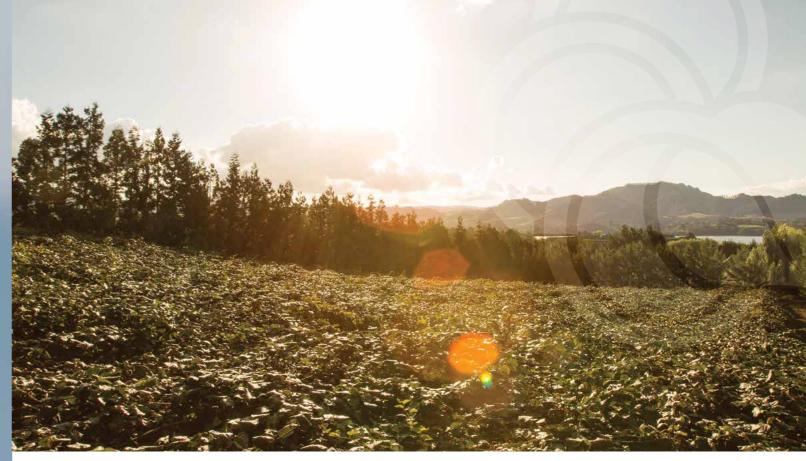
Kiwifruit block set up for growing up strings (Shane Max, Zespri)





■ Once the canopy has developed, some growers choose to train their vines to a low vigour system, while other growers will continue to grow canes up strings every season. "





CHAPTER THREE ON-ORCHARD MANAGEMENT PRACTICES

This chapter is diverse, covering a range of orchard management practices. Firstly, the New Zealand kiwifruit growth cycle is explained, and basic orchard management practices are identified. Lastly, an overview of risk management is provided, such as the adverse events that may occur on an orchard.

THE SECTION IS DIVIDED AS FOLLOWS

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3.1 NEW ZEALAND KIWIFRUIT GROWTH CYCLE

The growing season for kiwifruit is long: up to 240 days. The New Zealand season begins with vine pruning in winter (June), which immediately follows the previous year's harvest. During the winter months (June to August) the vines lay dormant, allowing growers the opportunity to remove last season's fruiting canes and to select and tie down new canes which form the foundations for new growth.

Springtime (September to November) sees the kiwifruit vines begin to grow again. New shoots appear on the canes along with the first flower buds. When the flowers blossom, bees get to work pollinating the flowers. Pollinated female flowers transform into fruit.

As summer starts (December to February), kiwifruit vines undergo tremendous growth and growers frequently prune the vines to direct growth and manage the canopy (the canes can sometimes reach up to 5-6 metres in length during the growing process). The fruit grow quickly, and crop volume can be estimated. Growers selectively thin kiwifruit to optimise fruit size and taste (generally the less there are, the larger and tastier they grow).

As the weather cools in the New The New Zealand kiwifruit Zealand autumn (March to May) harvest time approaches. Fruit is tested the vine growth stage and via commerical labs, and when it has met the minimal maturity criteria and ripeness, the kiwifruit are carefully picked. Once the kiwifruit has been picked, they are transported to the packhouse to be packed and stored ready for shipping

and export. As the winter approaches, the leaves drop from the vines, signaling the end of another growing year. The vines move towards a dormant state and await the coming of spring.

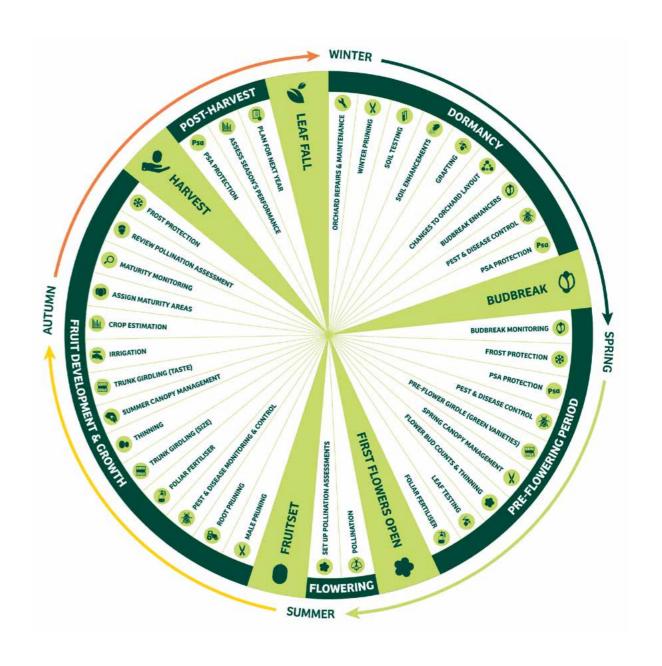
Kiwifruit vines require sunshine, water, rich free-draining soil, with an ideal soil pH between 5 and 6.8 and winter chilling. To be productive, commercial crops require significant management. The aim is production of a crop with relatively uniform maturity, high dry matter fruit, and of the size preferred by

Growers utilise a variety of mechanisms to get sufficient yields including:

- · Selection of high-quality replacement cane in spring.
- · Pruning Removing poor quality and unwanted vegetative growth early.
- · Budbreak sprays.
- · Pollination.
- · Bud thinning Defect buds are removed before they develop into flowers to conserve plant carbohydrates.
- · Fruit thinning Defect fruit are removed as soon as possible to ensure allocation of carbohydrates to highquality fruit.
- · Girdling Reduces competition for carbohydrates and ensures fruit attain maximum size and dry matter.
- · Control of pests and diseases.

	Winter			Spring		S	Summer		Autumn			
Season	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY
	Dormant			Budbreak	udbreak Flowering F		Fruit set Fruit growth		Leaf fall			
	Winter prune Budb		Budbre	eak sprays	Bud and flower thinning + pollination	Male p	orune		manag ning +gi	ement + rdling	Harv	est .

As summer starts (December to February), kiwifruit vines undergo tremendous growth and growers frequently prune the vines to direct growth and manage the canopy (the canes can sometimes reach up to 5 - 6 metres in length during the growing process). "



On-orchard kiwifruit production steps and key management actions

Below:

growing cycle showing

orchard management

practices on a seasonal

3.2 VINE MANAGEMENT - PRUNING

Successful orchard outcomes are achieved by promoting rapid canopy establishment before flowering, and then limiting canopy growth after flowering to reduce competition for resources with the growing fruit. Pruning is one of the most important aspects of vine management and plays a major role in getting a consistent, quality yield each season. Success depends on good open pruning to prevent the vines becoming dense and tangled. Open pruning allows space for bees during the flowering period, penetration of sprays, air movement around the vines, and enough light throughout the vines to minimise the conditions which favour fungal disease such as Sclerotinia. However, if too much canopy is removed there is a risk of sun damage to fruit as well as reduced photosynthesis.

Open vines provide adequate light needed to ripen the fruit and mature the fruiting canes for the following season. Good light levels are vital for dry matter and sugar level production in the fruit, which ultimately improves taste. This also aids fruit size and enhances the storage life of the fruit.

Right:
An even spread of
high-quality winter buds



Winter Pruning

Winter pruning can constrain orchard performance if it is not carried out correctly. Winter pruning is done after harvest when vines enter dormancy, preferably after leaf drop so buds are easier to see. The aim is to set up bays with optimal high-quality winter bud numbers on canes that are evenly spaced throughout the canopy. Selection of the best canes to keep, and what to cut out, takes skill and experience. Canes are tied down immediately after pruning.

Even spacing has a great influence on the performance of the canopy the following summer. Consistent canopy density will reduce variation in fruit attributes (e.g., size, dry matter). Even cane and spur spacing results in a consistent summer canopy that produces optimum fruit size and dry matter (climate and summer vine management allowing) and is easy to manage and achieve good spray coverage.

Summer Pruning

Summer pruning involves managing the excess vegetative growth of the vine during the growing season to:

- · ensure good light levels on the fruiting canopy
- ensure quality fruiting wood is produced for next year's canopy
- reduce the amount of carbohydrates demanded by the actively growing leaves allowing resources to be redirected to the fruit
- · allow good spray coverage

The removal of excess growth also helps to prevent tangles which ultimately saves workload and costs during the following winter prune.

Pruning male vines after flowering/pollination and in summer keeps the vines compact so that they do not shade the female vines or cause tangles. As some male cultivars are more susceptible to diseases such as Psa, keeping a compact vine structure over summer also allows for better spray coverage.

Top left: Grass growing beneath a well-maintained open light canopy (Shane Max, Zespri)

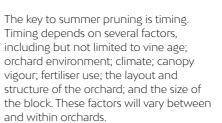
Top right: Poorly maintained with low light levels have led to shading and leaf drop (Shane Max, Zespri)

Bottom left: Regrowth's and tangles in gold kiwifruit (Shane Max, Zespri)

Bottom right: A non-terminated cane is shown on the left and a terminated cane on the right (Shane Max, Zespri)







Key considerations for achieving good results from pruning are:

- Tip squeezing non-terminating shoots in the fruiting canopy to approximately four to six leaves past the last flower.
 The best time to do this is just as the earliest shoots begin to tangle.
- Removing vigorous excess canes, and canes with no fruit (blanks), as they will compete with fruit growth and increase shading.





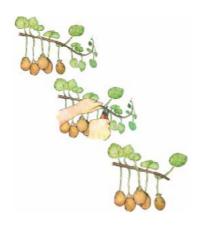
- Self-terminated shoots do not need to be cut or shortened as these will not continue to grow or cause shading and are potentially the best cane to leave for next year's fruiting wood.
- Late growth (after flowering) should be removed as canes grown before flowering are always more fruitful than late grown canes.
- Shaded cane or spurs need to be removed, as wood that is exposed to sunlight will always produce more flowers and better-quality fruit.
- Canes growing back over the leader need to be removed as they are difficult to tie down and are not optimal for vine structure and growth.
- Care must be taken when pulling out canes in Gold and Red crops where fruit is sensitive to skin rub.

Zero-Leaf Pruning and Tip Squeezing

Both zero-leaf pruning, and tip squeezing are management practices that are used to help maintain optimal light levels and to reduce vegetative vigour.

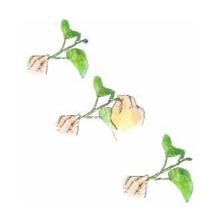
What is Zero-Leaf Pruning?

Zero-leaf pruning involves pruning selected fruiting shoots just above the last (distal) fruit on a lateral so that there are no axillary buds from which secondary re-growth can develop. If this technique is done correctly, the vines are not too vigorous and virtually no re-growth will occur from the zero-leaf pruned shoot. This technique is primarily done to save on pruning costs later (by reducing tangles). However, any pruning cut increases the risk of Psa infection due to creating a soft tissue wound. It can also impact on availability of quality wood for the following season if too many shoots are pruned.



What is Tip Squeezing?

Tip squeezing (or crush tipping) involves damaging the growing tip of actively growing shoots preventing further extension. Unlike straight pruning or removal of the tips, which can stimulate secondary growth from lateral buds, tip squeezing leaves the shoot tip damaged but not broken. If undertaken, tip squeezing is conducted several times (approximately five times dependent on canopy vigour) throughout spring and summer and minimises the need to summer prune.



Left: A strong shoot about to be zero-leafed

Right: An actively growing shoot tip prior to squeezing (left), and the controlled damage of the intact shoot tip following squeezing (right)





3.3 BUDBREAK

Budbreak refers to when the buds on dormant canes open and start growing shoots and then flowers in Spring. Timing and quality of budbreak depends on winter chilling. Winter chilling is measured from the start of May each year (typically measured as the number of hours below 7° Celsius or the average temperature across May, June and July). Timing of budbreak is affected by temperatures up to the start of budbreak, but number of flowers can be affected by temperatures between budbreak and flowering. The colder the winter, the earlier budbreak will begin, and the more king flowers will come from each bud.

There are advantages in having a more uniform budbreak across a production block, as well as maximising the number of quality flowers while minimising the spread in timing of flowering. Several different chemicals can be applied to the vines during dormancy to enhance budbreak, the most frequently used being Hydrogen Cyanamide (marketed under different trade names, the most common being Hi-Cane®). These products can make up for reduced winter chilling, allowing for kiwifruit production in warmer parts of the country and in the future with warmer winters.

Timing of application is critical with budbreak enhancers. Hydrogen Cyanamide is most effective when applied 35-25 days before natural budbreak. Determining when that budbreak "day" would occur can be difficult (natural budbreak takes 10-30 days to complete). It will vary by region, but wood quality, cropping history and orchard management can also impact on timing of budburst. Models exist based on mean monthly temperature data from previous years, but it is not an exact science. Gold3 and Red19 have earlier budburst than Hayward.

The Environmental Protection Authority (EPA) has reassessed use of Hydrogen cyanamide through public consultation. The outcome released in May 2024 was for continued use, with some additional controls, further to those already required by industry. Meanwhile research continues on alternative chemicals to Hydrogen Cyanamide, the effect of different management techniques, and development of future kiwifruit varieties that will be less reliant on budbreak enhancers.

Right: Stages of bud break







3.4 POLLINATION

Left: Male kiwifruit flowers

Female kiwifruit flowers





Pollination is an important aspect of commercial kiwifruit production. Kiwifruit are dioecious; this means that the female (pistillate) and male (staminate) reproductive organs occur on separate plants. This makes pollination and the mix of male and female plants on orchard vitally important to achieving economic success.

Financial returns are dependent on the number of fruit, their size, and the percentage of dry matter in the fruit, all of which are dependent on achieving adequate pollination. Pollination is managed to a much greater extent in kiwifruit than in other crops, and the costs involved are also greater.

Achieving full pollination of kiwifruit flowers is difficult:

- Pollen must be moved large distances as male and female flowers are borne on separate vines.
- Pollination characteristics (timing, flower receptivity, bee visits required etc.) differ between the different commercial varieties, making management more complicated where more than one variety is being grown.
- Male flower pollen release and female flower receptivity is not always synchronous. Different male cultivars flower at slightly different times from October to December. Hayward female flowers, once open, are receptive for 6-7 days with bud-burst enhancer use (10-15 days without), Gold only 2-3 days. Exact timing of flower opening depends on region, altitude, and season (average temperature).
- Female flowers need to receive thousands of pollen grains for full

pollination, unlike flowers of other fruit crops that only require a few pollen grains.

- It takes many bee visits to each flower before full pollination is achieved (up to 40 bee visits for Hayward flowers, 6 for Gold).
- Fruit size (and therefore the value of the crop) is in part determined by the number of seeds the fruit contain.
 Export size Hayward fruit contain at least 800 seeds, Gold at least 200 seeds, and Red 250 seeds.
- Kiwifruit vines have relatively few flowers and require high levels (>80%) of fruit set (a flower becoming a fruit) compared to pip and stone fruit crops that need only a low percent fruit set.
- The flowers are not highly attractive to insect pollinators since they do not produce nectar.
- Some varieties flower late in the spring and consequently compete for insect visitors with other plants flowering at the same time.
- Kiwifruit vines were introduced into New Zealand from China, so they are without the natural insect pollinators with which they co-evolved.
- The crop needs high shelter belts to protect the vines from wind damage, which reduces pollination by wind.
- In New Zealand, vines are grown close to the ground instead of up forest trees (their natural habit), further reducing the level of wind pollination.
- Wet and/or cold weather can disrupt pollination. Flowers open and pollen release (dehiscence) is strongest in the morning, but this can be delayed in poor weather. Bees will also be less active.

	Characteristic	Hayward	Gold3	Red19
Malaa	Ploidy (sets of chromosomes)	Hexaploid	Tetraploid	Diploid
Males	Maximum effective distance to females	4-6 metres	7+ metres	6-7 metres
Famala Flavora	Dehiscence	5 days	2 days	-
Female Flowers	Stigma viability	8 days	2 days	4 days
	Number of visits	40	6	-
Honey bee	Min number of seeds	800	200	250
Pollination	Max number of seeds	1,200 - 1,500	600-800	600-650
	Foraging bees/1000 flowers	20	6	-

Figure 5. Comparison of pollination related characteristics between varieties. Red figures are indicative and require further research to confirm

Kiwifruit orchards are pollinated by bees. Very few growers maintain their own beehives, most relying on the beekeeping industry to supply hives for the few weeks over flowering/pollination. The number of hives, when they are brought in, and their positioning is important. Stocking rates will vary (9-12 hives/ha); less for orchards surrounded by other orchards, more for isolated orchards. In Green orchards the bees are bought in once 20-30% of female flowers are open, earlier in Gold and Red orchards. Sunny sheltered hive sites help encourage bee activity.

Kiwifruit flowers do not have nectar, the usual reward for pollinators, they are only attractive because of their pollen. As a result, beekeepers supplement the bees with a sugar and water mix to reduce the chance of them foraging beyond the orchard. It is important that growers remove other flowers from the orchard and surrounding areas during pollination e.g., by mowing the sward.

Many agrichemicals are toxic to bees so crop protection sprays must be avoided or timed very carefully during flowering/pollination. Overhead cover e.g., for frost or hail protection, can also disrupt bee navigation.

Right: Two traditional double box hives used for kiwifruit pollination



Growers supplement beehives by applying additional pollen to kiwifruit vines through other means. This activity is called supplemental or **artificial pollination**. Male only orchards are used to produce commercial supplies of pollen or growers can have some of the flowers on their own male vines picked and processed (milled) before the female flowers open. The cost of pollen varies (±\$9,500/kg in 2024), partly due to flower collection being extremely labour intensive, with 100kg of male buds needed to produce 1kg of pollen. The amount of pollen used will also vary with the situation, and the number of applications. Given the high cost of milled pollen, research is ongoing into bee-collected pollen. In this method, returning bees pass through a tube or screen as they enter the hive that collects the pollen they are carrying. This pollen can then be reused in one of the methods below.

Right:
Bees entering a hive through a pollen trap. Note the yellow pollen pellets that are dislodged by the tube without harming the bee



To see more about how pollen is processed go to https://www.sciencelearn.org.nz/image_maps/10-processing-pollen



Methods of artificial pollination include:

Wet application – spraying a pollen/liquid mix directly on to female flowers. This is useful when bad weather reduces bee activity or there are no bees, when few male flowers are left or if there are competing flowers around the orchard. Can be labour intensive if using handheld applicators.



Dry application – blowing pollen onto the canopy which is then redistributed by bee activity. There are a variety of vehicle mounted applicators available on the market. This method may be less labour intensive but there can be considerable wastage of pollen.



READ MORE HERE:

https://www.sciencelearn.org.nz/resources/99-pollinating-kiwifruit

https://www.sciencelearn.org.nz/videos/19-artificial-pollination





3.5 THINNING

Thinning is undertaken multiple times throughout the growing season to get the optimal amount of exportable yield. Too many fruit on the vine can reduce the overall quality of the fruit by reducing average fruit size and taste. Thinning can start as soon as buds develop. Defect flower buds are removed before they develop into flowers. Lateral flower buds are removed as the fruit they produce is always substandard to that of the central 'king' flower. Removal of these buds aid pollination as bee visits are not wasted on flowers that will not become exportable fruit. It is best practice to set the desired number of buds in winter pruning, it minimises flower/fruit thinning costs and doesn't compromise fruit dry matter.

Right: Removal of lateral flower buds is ideal before pollination





After fruitset, growers target a number of areas. They include:

A final round of thinning may be completed prior to harvest to rem

- The removal of low value fruit (misshapen, damaged, undersize).
- Adjust fruit load per shoot (2-3 leaves per fruit).
- Removal of lateral fruit as the king fruit is always larger and has higher dry matter than the lateral fruit.
- Remove more fruit from heavily shaded parts of the vine as this fruit tends to be of lower dry matter.

A final round of thinning may be completed prior to harvest to remove fruit with obvious defects (flats and fans, hayward mark (green), blemish that is dark coloured and larger than 1cm²) and soft or damaged fruit before it is harvested as such fruit incurs expense when it must be removed during packing.

Left: Reject kiwifruit with a pronounced hook and Havward mark

Right: Reject flat shaped kiwifruit





3.6 GIRDLING

Trunk girdling is used to increase dry matter, increase fruit weight, and increase the number of flowers the following season. Girdling refers to the removal of a thin strip of bark from around the circumference of the vine trunk or cane. This bisects the phloem so prevents the flow of carbohydrates to the roots, meaning more is allocated to the fruit in the time that the girdle is open. The plant grows a callus that heals over the girdle, reconnecting the phloem, usually within a few weeks.

Girdling is carried out at least twice in a season. A girdle applied in the spring increases fruit size. The summer girdle allows the fruit to attain a higher dry matter and can increase return bloom in some varieties. A pre-flowering trunk girdle is used by some growers to prevent or halt flower bud infection caused by bacteria, like Psa, in green cultivars.

Trunk girdles are easy to apply, with the use of a tool or a girdling chain. The tool is a double-bladed knife which cuts and removes a thin slice of bark from the circumference of a trunk. The chain is a blunt chainsaw chain with a handle at each end that is pulled back and forth to remove the bark.









Far left: Severe girdle-cut through both the phloem and xylem. Pen shows where girdle should have finished (*Shane Max, Zespri*)

Centre left: Correct girdle (Shane Max, Zespri)

Centre right: Three healed girdles (Shane Max, Zespri)

Far right: Chain used for girdling (Shane Max, Zespri)

Right: Girdling knife Technique is important. If the girdle is too shallow and has not gone through the phloem (the cambium), the root system will still be able to compete with the fruit. If the girdle is too vigorous and cuts through the xylem (the wood) it will reduce the supply of water and nutrients to the canopy. The girdles will also be slower to heal, and vines will be at greater risk of disease infection. Shallow girdles are easily identified as the left-over phloem material oxidises quickly and turns brown. Using a girdling chain is generally faster but comes with increased risk of xylem damage.

Hygiene is crucial with either method: both tools and chains should be sanitised between plants, and the girdling cuts should be sprayed with a protectant solution (e.g., copper) as soon as they are completed. There is some evidence from trials in Europe that girdling may act as an elicitor and activate the plant's internal bacterial defence response, this reducing their susceptibility to Psa.



3.7 SOIL MANAGEMENT

Healthy soil is critical for success. Not only does the soil physically support plants and structures, it supplies water and nutrients to vine roots, regulates root temperature, and provides drainage from excessive rainfall. A healthy soil supports a population of microorganisms and earthworms that assist with these processes. Depending on their soil type, growers add extra organic matter in the form of compost, alongside the usual incorporation of mown grass, mulched prunings and leaves entering the soil. Ensuring drainage is sufficient is important as kiwifruit roots are very sensitive to a lack of air. If soils remain waterlogged beyond 48 hours root death can occur. Equally, the water-holding capacity of the soil in summer also impacts on soil health. Avoiding compaction of soil by heavy machinery is imperative. Wet soils are particularly at risk of compaction, so activities such as fertiliser spreading and spraying need to be carefully timed.

Soil ripping is a tool for helping to improve soil structure and drainage in heavier soils. The objective is to shatter the soil, hastening water drainage and allowing more oxygen into the soil which then encourages more root activity. Various implements are used for ripping, but timing is key. It is usually carried out in late summer when the soil conditions are drier for best effect.

Root pruning, although similar to soil ripping, serves a different function. By cutting off roots and reducing the size of the root system of the vine, the carbohydrate demands of the root system is reduced making more available for fruit growth and dry mater accumulation. The prune is completed via a large tractor-drawn pruning blade that cuts through the roots (approx. 40cm deep) on both sides of the vine. For best results root pruning is used alongside trunk girdling and is usually applied in January. Research is still ongoing, with the technique showing variable efficacy in terms of improving dry matter with soil type, root distribution, and vine age and health

Left:

Root pruning is done with a large blade attached to the back of a tractor that drives slowly down the rows and cuts down into the soil

Right:

Ripper attached to the back of a tractor, used to help improve soil drainage (Shane Max, Zespri OPC)





Right: Fertiliser spreading

3.8 FERTILISER

As in any biological system where organic matter is removed (in the form of fruit), nutrients need to be returned. Nutrient management is important not only for crop production but also for soil health and protection of waterways. Nitrogen (N) in runoff is a key pollutant to freshwater in New Zealand, with fertilisers and drainage (from rainfall or irrigation) potential sources of N leaching that need to be managed on orchards

Smart fertiliser use considers the "4Rs":

- 1. At the right rate
- 2. Of the right type
- 3. Delivered to the right place
- 4. At the right time

A soil test is usually taken after harvest (early winter) when the soil is cooler and the vines are dormant. Soil testing determines the levels of the key nutrients present in the soil - Phosphorus (P), Potassium (K), Calcium (Ca), Magnesium (Mg) and Nitrogen (N). Testing also indicates how readily soils can absorb nutrients and make them available to plants (based on pH and Cation Exchange Capacity results). This information, along with the previous season's yield and growth response can form the basis for a fertiliser recommendation (**right rate**).

Fertilisers come in different forms and methods of application (right type)

- Ground applied solid fertilisers Calcium Ammonium Nitrate (CAN) is the most common form of nitrogen based fertiliser used, along with Sulphur of Potash (SOP), the most common form of potassium fertiliser. Orchardists usually attempt to time fertiliser spreading before a light rain event to help integrate it into the soil (but not heavy rain events that would cause run-off). Little and often is most effective for fertiliser application.
- Foliar fertilisers soluble fertilisers spayed on to foliage, most commonly Urea.
 Applied preharvest, foliars support early season growth, support the vines through periods of stress (e.g. cold snaps), can correct nutrient deficiencies, and improve fruit quality, and/or to increase fruit size. Foliars may also be applied postharvest to accelerate leaf drop or to build plant reserves for the following spring. They are used in addition to solid fertilisers.
- Fertigation soluble fertiliser applied to vines via an irrigation system. This provides greater ability to apply smaller amounts of nutrients often, targeted at the root zone (right place) resulting in improved nutrient use efficiency and reduced nutrient losses. Fertigation is a relatively new method of fertilisation and research is still ongoing. It is promising for light soils with low nutrient holding capacity and organic matter, and for heavy soils where root growth is constrained near the surface. The biggest constraint for growers is access to water.

Spring is the best time for plants to take up nutrients (**right time**). For best uptake and to limit leaching, fertiliser application should be avoided ahead of or during heavy rain, or when soils are clogged, overly wet or waterlogged.

Read more about sustainable nutrient management in Ch 4.4.3.



3.9 CROP PROTECTION

The Zespri Crop Protection Standard advises growers which agrichemical compounds may be applied to fruit that will be marketed by Zespri. There are different standards for conventional and organic production systems. These standards ensure fruit meets the legal requirements in each country where Zespri fruit is sold and that customers and consumers requirements for safe fruit, produced in an environmentally responsible manner, are also met.

Integrated Pest Management

Kiwifruit are susceptible to a range of pests and diseases which can affect vine health, fruit quality, or restrict access to important export markets. The best method for crop protection is an integrated pest management approach that includes:

- · Monitoring for pests and diseases.
- · Applying appropriate agrichemicals at the right time and at the correct concentration.
- Using cultural controls to further minimise pests and diseases.
- · Implementing orchard hygiene measures to prevent the spread of pest and diseases.

Agrichemical Controls

Pest and disease control using agrichemicals is an essential part of modern orchard management. Pests such as scale and leafroller, and diseases such as Psa and Sclerotinia, often require agrichemicals to control their numbers. Agrichemicals should only be applied if they are required, therefore monitoring for pests is essential for growers to determine what agrichemicals they should be using.

Agrichemicals for pest and disease control can be grouped into three categories: systemic, contact and preventative. Systemic agrichemicals travel through the plant after they enter through healthy leaves, where they can poison or disrupt the lifecycle of pests and diseases. Contact agrichemicals rely on excellent spray coverage, as they depend on touching the pest or disease that they target. Preventative agrichemicals tend to make the plant unappealing to a particular pest or disease, by methods such as altering the taste of the plant or changing the pH of the leaf surface.

Right: Sprayer applying an agrichemical to dormant vines in winter



ON-ORCHARD MANAGEMENT PRACTICES

Cultural Controls

Cultural controls are often simple non-chemical methods which result in more effective control of pests and diseases. Examples include:

- Ensuring plant species used for shelter are not those favoured by pests e.g., poplar and willow can be hosts for scale insects.
- Removal of host plants from the orchard surrounds e.g., Passionvine hopper (PVH) readily lay eggs on blackberry, bracken, and mahoe.
- · removing overly large crowns from vines during winter pruning to reduce the number of crevices where scale insects can hide.
- · growing a long grass sward under the vines and then mulching immediately prior to flowering to reduce the ability of Sclerotinia spores to drift from the ground up to the flowers.

Orchard Hygiene

Keeping tools and equipment clean and sanitised is a key strategy for minimising the spread of pests and diseases. Virulent diseases such as Psa can spread from vine to vine on pruning tools and can move between regions through new plants or



3.10 ORCHARD RISK MANAGEMENT

It is important the growers plan risk into their business model to ensure sustainable profitability. The following diagram illustrates some of the immediate risks growers should take into consideration. Please note that there are wider risks which also impact upon grower profitability such as market access or geopolitical changes. Below is a diagram outlining the various risks that growers could encounter throughout their orchardist careers.

Immediate risks to growers







Over the past few years, the kiwifruit industry has vastly increased its focus on sustainability. Consumers are expecting more from businesses in terms of sustainability - they care about what their food is wrapped in and want to know more about where it comes from and that it has been grown in a way that enhances the environment and support livelihoods. As well as investigating some of the drivers of sustainability, this chapter focuses on some of the science topics that support this.

THE SECTION IS DIVIDED AS FOLLOWS

4.1 The Drivers for Sustainability

4.2	Zespri's Sustainability Priorities			
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ON-ORCHARD MANAGEMENT PRACTICES

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4.1 THE DRIVERS FOR SUSTAINABILITY

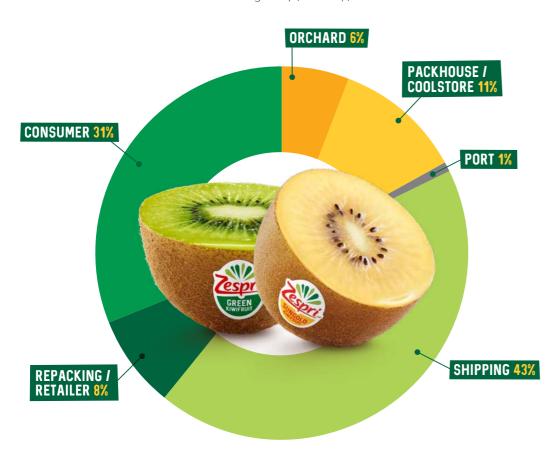
In the mid-2000s, global retailers were challenged by non-government organisations (NGO) to reveal the environmental cost of sourcing products. At that time, kiwifruit was cited as an example of a product that was grown, stored and shipped long distances to be sold in Europe. By partnering with government, including the Ministry of Foreign Affairs and Trade and the Ministry for Primary Industries, Zespri co-funded research on determining the carbon and water footprints for kiwifruit grown in New Zealand and consumed in Europe.

Carbon footprint represents the amount of greenhouse gas emissions associated with an organisation, event or production. An increase in greenhouse gas emissions is the primary driver of global warming and climate change. In New Zealand, the main greenhouse gas is methane from agriculture. For horticulture, including kiwifruit production and distribution, the main greenhouse gas is carbon dioxide.

Essentially, the findings highlighted that the environmental impacts of New Zealand kiwifruit were comparable to those of competitors, including kiwifruit grown within Europe. This information was then communicated to Zespri's retail customers, where it helped alleviate major concerns about New Zealand's kiwifruit. This example highlighted to the kiwifruit industry that there was a need to better understand the environmental impacts of kiwifruit so that Zespri could respond more quickly to any questions related to this topic from the markets or local communities.

CONTRIBUTION OF EACH STAGE

In the supply chain to the carbon footprint of Zespri Kiwifruit produced in New Zealand and consumed globally (2017 crop).



4.2 ZESPRI'S SUSTAINABILITY PRIORITIES

In 2010, Zespri developed a strategy to manage the environmental risks associated with fresh kiwifruit production and consumption. At that time, the top five globally important environmental impact areas were identified. These areas were greenhouse gas emissions (carbon footprint), water, waste, non-renewable resources and biodiversity. The state of these across the New Zealand kiwifruit sector were then assessed over the ensuing years to manage the associated risks and opportunities.

More recently, the kiwifruit industry has increased its focus on sustainability. Retailers require increasing transparency of the growing systems, inputs, environmental measures, and labour practices that sit behind the product on their shelves – both to protect their own reputations and to position themselves against competitors. As the industry adopts sustainable business practices that earn the trust of consumers and communities, the value of the Zespri brand will strengthen as well as enable the continued growth of our industry.

Zespri has developed a framework for sustainability, setting out their priorities under the three pillars of:

Our Kiwifruit - promote healthy eating and lifestyles, actively encouraging people to eat better and live healthier.

Our Environment - striving to address how production, supply and sales impact on and enhance the environment with a focus on packaging, water quality and climate change.

Our Communities - making a positive contribution to peoples' livelihoods and wellbeing, through the returns provided to growers, the working conditions provided for our people, and the contributions we make in our markets.



4.3 OUR KIWIFRUIT

Health and Wellbeing Benefits of Kiwifruit

Nutrient Adequacy

Nutrient Density

Right:
Comparison of the nutrient
adequacy and nutrient
density properties of Zespri
kiwifruit and other commonly
eaten fruit

Nutrient Adequacy		radilett Delisity			
	NUTRIENT ADEQUACY		NUTRIENT DENSITY		
Guava	298.7419	Guava	7.8066		
Kiwifruit, Zespri RubyRed	241.7261	Lemon	4.1419		
Kiwifruit, Zespri SunGold	193.4985	Kiwifruit, Zespri RubyRed	4.1072		
Kiwifruit, Zespri Green	128.4908	Kiwifruit, Zespri SunGold	3.6098		
Passionfruit	121.6350	Papaya	2.9794		
Papaya	104.4070	Tomato	2.9535		
Mango	81.1125	Passionfruit	2.6384		
Lemon	79.3195	Kiwifruit, Zespri Green	2.4382		
Orange	78.5885	Strawberry	2.1436		
Strawberry	70.2855	Orange	2.0655		
Longan	60.3858	Melon	1.6760		
Lychee	60.2767	Fig	1.5300		
Avocado	58.2915	Apricot	1.4743		
Feijoa	52.7707	Cranberry	1.4485		
Melon	51.9686	Feijoa	1.3853		
Pineapple	50.5639	Mandarin	1.2817		
Mandarin	49.6071	Mango	1.2769		
Apricot	45.8063	Longan	1.0064		
Cherry	44.6155	Pineapple	1.0038		
Tomato	36.3103	Lychee	0.8171		
Durian	36.2474	Peach	0.7574		
Plum	33.6486	Cherry	0.7030		
Banana	33.2971	Blueberry	0.6897		
Fig	31.2561	Watermelon	0.6830		
Blueberry	30.0311	Plum	0.5137		
Cranberry	30.0056	Pear	0.5108		
Peach	29.1466	Apple	0.4779		
Pomegranate	28.7919	Banana	0.3593		
Watermelon	24.6969	Pomegranate	0.3382		
Pear	23.0018	Grape	0.3285		
Apple	22.4857	Durian	0.2460		
Grape	22.0276	Avocado	0.1979		

Nutrient adequacy is a measure of how many nutrients the fruit provides relative to its weight. The calculation factors in the nutrient composition of each fruit as a percentage of the Recommended Daily Allowance (RDA) for 16 specific vitamins and minerals, including protein, fibre, calcium, iron, vitamin A, thiamin B1, riboflavin B2, niacin B3, vitamin B6, vitamin B12, folate, vitamin C, vitamin D, vitamin E, pantothenic acid B5, and magnesium.

Nutrient density measures how many nutrients the fruit provides relative to the number of calories it contains; i.e., the nutrient adequacy score is divided by the number of calories the fruit has. The high amount of vitamin C in kiwifruit is the primary driver of its high nutrient adequacy score. Other nutrients boosting this score include fibre, folate, and vitamin E. Kiwifruit's high nutrient density is one of the key advantages it has over other commonly eaten fruits.

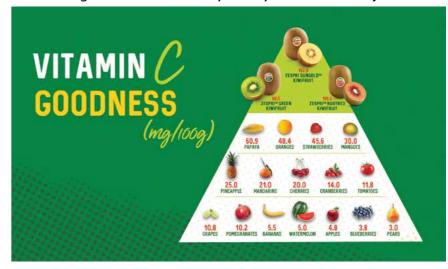
Vitamin C

Vitamin C content comparison chart

Vitamin C plays a significant role in maintaining good health by influencing various components of the immune system and promoting a general feeling of vitality. Vitamin C helps to activate a number of enzymes in your body that improve metabolic energy levels and different neurochemicals in the brain.

Humans can only obtain vitamin C through their diet, and because the body can only store a limited amount vitamin C needs to be ingested on a regular basis. Various fruits and vegetables are rich in vitamin C, and kiwifruit is one of the best sources of vitamin C among fruit and vegetables.

Kiwifruit is high in vitamin C - 100% of your daily vitamin C needs in just one fruit!



Vitamin C is highly concentrated in the brain and is thought to have a biochemical role in mood by acting directly and indirectly in the synthesis of neurotransmitters including serotonin, dopamine, and oxytocin, neurochemicals associated with wellbeing, energy and cognition. Prolonged vitamin C deficiency ($\leq 10\mu$ mol/L) can result in the fatal condition of scurvy, whereas sub-optimal vitamin C concentrations, levels $\leq 50\mu$ mol/L, are associated with fatigue, irritability and low mood.

Vitamin C, along with other important nutrients in kiwifruit, have been shown to help support our mood and wellbeing. The results from several clinical trials provide preliminary evidence that SunGold kiwifruit consumption improves psychological wellbeing in adults, and this is associated with increased vitamin C concentrations.

Dietary Fibre

Dietary fibre is made up of plant components that reach the intestine without being digested and undergo total or partial fermentation in the large bowel by gut bacteria. Dietary fibre has been linked with a multitude of health benefits including digestive health, the regulation of glucose in the blood, blood cholesterol levels and weight management.

There are two types of fibre, both necessary for good health:

- Soluble fibre (pectin, gums and mucilage) found mainly in plant cells: Helps to lower blood cholesterol levels and can help to reduce constipation - found in fruits, vegetables, oat bran, barley, flaxseeds, dried beans, lentils, peas and soy products.
- Insoluble fibre (cellulose, hemicellulose and lignin) from the structural part of plant cells: The main effect of insoluble fibre is to add bulk of faeces, and to alleviate constipation and associated problems. It is also linked to reduced cardio-vascular risk found in wheat bran, corn bran and rice bran, and fruits and vegetables, nuts, seeds, legumes and wholegrain cereals. Green kiwifruit is especially high in fibre.

Right: Fibre content comparison diagram



Folate

Folate (vitamin B9) is an essential nutrient for cell growth and development and is important in the formation of the red blood cells which transport oxygen, iron and other minerals. Women need significantly higher levels of folate before and during pregnancy. It is vital for normal fetal development e.g., for reducing the incidence of neural tube defects. Folate is considered so important for healthy body functioning that many countries fortify bread and flour with folic acid (synthetic form) to ensure more of their population, particularly women, have an adequate dietary intake. However, between 50 to 80% of folate is destroyed if cooked, so kiwifruit that are generally eaten raw are a natural source of folate.

Potassium

Potassium is an important mineral for the normal function of the nervous system and muscular contraction. It is also beneficial in maintaining normal blood pressure and heart health. Potassium maintains fluid and electrolyte balance. Food processing tends to lower potassium levels and increase sodium levels (with associated negative impacts on health). Whole, fresh foods such as fruits, green vegetables and cereals or wholemeal bread are generally higher in potassium and lower in sodium. Kiwifruit is a great natural source of potassium, almost comparable to bananas – the fruit traditionally linked with potassium.

Actinidin

Uniquely, kiwifruit contains actinidin, a highly active cysteine protease enzyme. This enzyme can break down a wide range of food proteins more completely and faster than the body's digestive enzymes can do on their own. Actinidin may also play a role in maintaining muscle health as enhanced food protein digestion in the small intestine improves protein absorption, which is linked to muscle repair. It has been observed that the presence of actinidin causes a more rapid emptying of the stomach when digesting beef. This means that eating kiwifruit with a protein-rich meal can offer benefits for people with a compromised digestive system and help reduce the sensation of heaviness and the gastric disturbances typical of protein-rich diets. Levels of actinidin in kiwifruit differ between varieties although generally, Green kiwifruit contain the highest amounts of actinidin, with a lower amount in SunGold and none in RubyRed.

Kiwifruit, Actinidin and food allergies

Actinidin may be responsible for a small number of people who report allergic reactions to kiwifruit. Those that have mild allergies to Green Kiwifruit do not typically have the same reaction to SunGold or RubyRed but should consult a healthcare professional before trialing it.

Antioxidants

Antioxidants, found in certain foods, scavenge and neutralise free radicals from the body's cells and prevent or reduce the cell damage caused by oxidation. These include the antioxidants vitamins A, C and E and a range of biologically active phytochemicals. Vitamin C and the polyphenols and flavonoids found in Green, SunGold and RubyRed are the major contributors to the antioxidant capacity of kiwifruit. Carotenoids lutein and zeaxanthin also support antioxidant function in the body, particularly in eye health. SunGold kiwifruit is particularly high in the polyphenol epicatechin, and Green kiwifruit has a range including epicatechin, lutein and kaempferol. While it is not possible to link the polyphenolic compounds in kiwifruit to any specific health benefit, strong evidence exists demonstrating that eating foods with polyphenolic compounds contributes to good overall health. 53% of the total polyphenols in SunGold are found in the skin, so plan to eat them with the skin on.

Glycaemic Index

The Glycaemic Index (GI) is a relative ranking of carbohydrates in foods according to how they affect blood glucose levels. Different foods are classified as High, Medium or Low on the Glycaemic Index.

High GI >70
 Medium GI 55-70
 Low GI <55

Zespri kiwifruit are all certified tested as low GI:

· RubyRed= 49 · SunGold= 48 · Green= 51

High GI foods are rapidly digested and absorbed, and result in a rapid, marked rise in plasma glucose levels, whereas the same amount of carbohydrate in low GI foods are more slowly digested and absorbed, resulting in a gradual rise in plasma glucose response and insulin levels. Management of blood sugar levels is particularly important for people with Pre-diabetes and Diabetes, a growing portion of the population.

Right: Glycaemic Index table

	Serving Size	Glycaemic Index	Glycaemic Index Rank
	9	Glucose comparison - 10g CHO	L.M.H
Avocado	100	15	L
Tomato	100	15	L
Apples	120	39	L
Strawberries	120	40	L
Oranges	120	43	L
Bananas	120	47	L
Mandarins	120	47	L
Kiwifruit, Zespri SunGold	100	48	L
Kiwifruit, Zespri RubyRed	100	49	L
Durian	100	49	L
Kiwifruit, Zespri Green	120	51	L
Mango	120	51	L
Blueberries	100	53	L
Papaya	120	56	М
Grapes	120	59	М
Pineapple	120	59	М
Cherries	120	63	М
Melon (Cantaloupe)	120	70	Н
Watermelon	120	76	Н
Cranberries	100	n/a	n/a
Longan	100	n/a	n/a
Pears	100	n/a	n/a
Pomegranate	100	n/a	n/a

Approximately 80% of the dry weight of ripe kiwifruit consists of available carbohydrates, including glucose, fructose and sucrose at a ratio of about 2:2:1. The remaining 20% of the dry weight of kiwifruit consists of protein (10%) and fibre (10%). Of these sugars, glucose has a GI of 100% (the benchmark), fructose 19% and sucrose 68%. With a low GI, combined with a modest content of carbohydrate, and a fibre component that slows the rate of absorption, kiwifruit is an excellent fruit choice for people trying to manage their blood sugar levels.

There is growing evidence highlighting that consuming of kiwifruit has a positive impact on the microbiota in the colon which have also recently been identified as a new potential factor in obesity-related disorders.

4.4 OUR ENVIRONMENT

4.4.1 Packaging

Like many other products, kiwifruit is exported around the world in packaging designed to protect it and ensure the best quality fruit is delivered to consumers. In recent years, images of damage to wildlife caused by plastic have put a spotlight firmly on plastics in supply chains. In recognition of this concern and to meet increasing customer requirements for less plastic, in 2019, Zespri signed up to a New Plastics Economy Global Commitment to have packaging that is 100% reusable, recyclable, or compostable by 2025.

See: https://ellenmacarthurfoundation.org/ topics/plastics/overview



Further, Zespri is striving to ensure that any plastic packaging used will be made from at least 30% recyclable plastic by 2025, and that they will reduce the packaging carbon footprint, per kg of fruit, by 25% by 2030. Their definition of packaging includes both transport packaging and consumer packaging. Significant pieces of research are underway to achieve these goals related to better understanding the current packaging used and it's impacts, and to find alternative materials or solutions that will allow the continued delivery of high-quality fruit to consumers. In 2023/4, Zespri are measuring at 88% against their target of 100% recyclable, reusable or compostable packaging across all markets.

OUR PACKAGING WILL BE

100% RECYCLABLE, REUSABLE OR COMPOSTABLE
BY 2025

IF WE USE PLASTIC, AT LEAST

30% OF ALL OUR PACKAGING IS FROM RECYCLED PLASTIC

BY 2025

WE WILL REDUCE

25% OF OUR PACKAGING FOOTPRINT, PER KG OF FRUIT

BY 2030

See: https://www.zespri.com/en-NZ/ Sustainability-Our-Environment



This work also includes finding more sustainable alternatives for fruit labels. All export markets require individual fruit labelling. The labels not only provide an important means of differentiating Zespri fruit varieties but offer an assurance to customers that the fruit they are purchasing is authentic, safe and high-quality Zespri kiwifruit. An example of this ongoing workstream includes the introduction of home compostable paper fruit labels on conventional fruit in France and Belgium.

4.4.2 Water

Declining freshwater quality and availability has become a global concern. Within Aotearoa New Zealand, many lakes, rivers, and other water bodies are under pressure, mostly due to the way land and water is being used and from a changing climate.

Industry Water Strategy

In 2019, He Wai mō Āpōpō/Water for the Future - A Water Strategy for the Kiwifruit Industry, was released. This strategy was created with input from NZKGI, Zespri, Māori Kiwifruit Growers, Horticulture NZ and growers. The Water Strategy aims to collectively protect and enhance our water resources for our people, our environment and our communities while enabling kiwifruit industry growth. This includes looking at how the kiwifruit industry uses water, how we can do so in the most sustainable way and how we can gather data to measure our progress and improve. The focus of the working groups that support this strategy is on nutrient management, efficient water use and improving soil health.

The strategy can be found on NZKGI website: https://www.nzkgi.org.nz/water/external-relationswater-water-strategy/



ZESPRI GROWERS ARE



by demonstrating alignment of nutrient inputs and losses to good practice limits ZESPRI GROWERS ARE USING MONITORING TECHNOLOGY TO



of our precious water resources

BY 2025

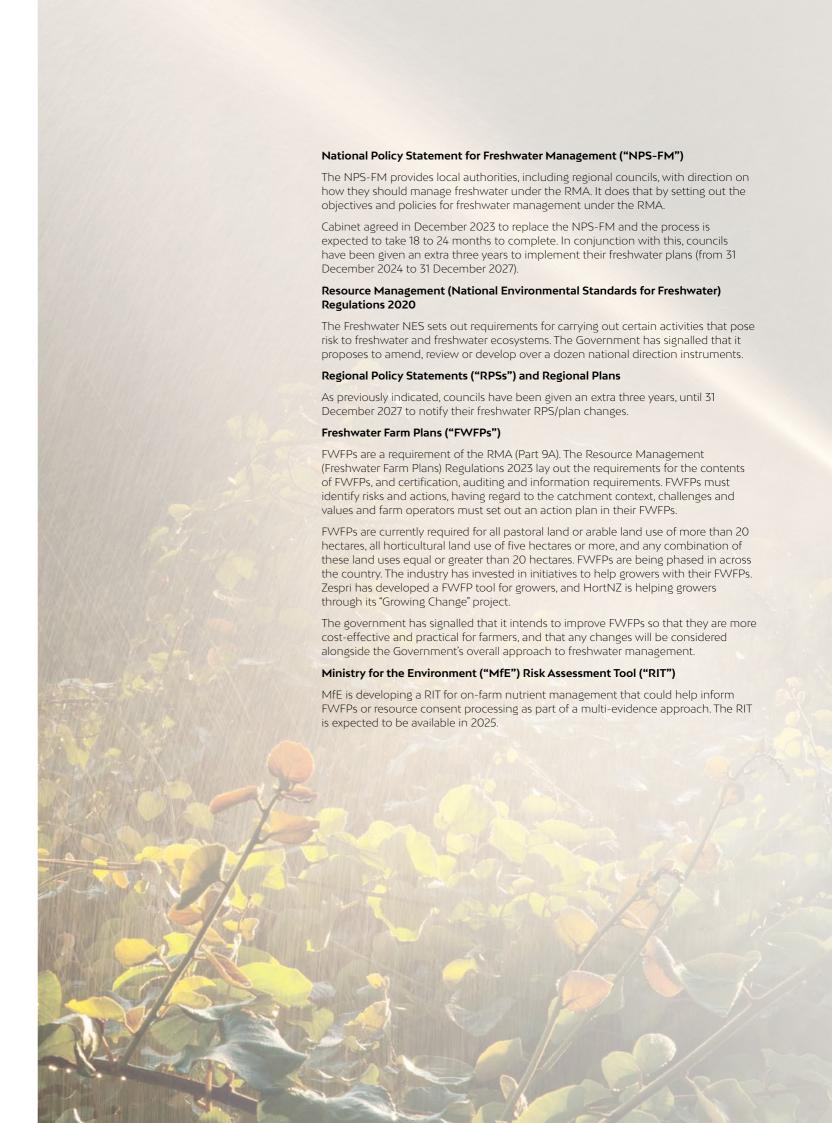
Resource Management Reform

The Government is in the process of reforming the Resource Management System as described below.

Resource Management Act (1991) ("RMA")

The RMA is the main piece of legislation that sets out how the environment is to be managed. It is the central piece of legislation that directs the requirement for Freshwater Farm Plans, as well as providing national direction to regional councils through National Policy Statements and National Environmental Standards. The Government is carrying out a phased approach of reforming the RMA:

- Phase 1 to repeal the Natural and Built Environment Act and Spatial Planning Act (now complete)
- Phase 2 to introduce a Fast-Track Approvals Bill (underway)
- Phase 2B targeted amendments to the RMA in the form of two bills being RM Bill 1 and RM Bill 2 (underway)
- Phase 3 replacing the RMA with new legislation (new legislation expected mid-2025)



4.4.3 Climate Change

Climate Risks

The Earth's climate is warming, which will lead to more weather variability and extremes as the average temperatures rise. Zespri has reported on the climate-related risks to the kiwifruit industry.

They used a scenario-based approach as is recommended by the Task Force on Climate related Financial Disclosure (TCFD), Intergovernmental Panel on Climate Change (IPCC) and International Standards Organisation.

The two scenarios considered:

- Moderate (2°C) Emissions scenario where aggressive action keeps global warming to within 2°C i.e., a world that has succeeded in implementing the Paris Agreement and is likely to keep total warming below a 2°C tipping-point
- High (4°C) Emissions scenario where global warming continues unchecked i.e., a world where countries have failed to meet their emissions reduction pledges under the Paris Agreement.

		Projected Ch		
Climate Variable	Potential Impact	2°C scenario	4°C scenario	Risk Rating
Average temperatures	Rising average temperatures may increase the risk of pests and pathogens becoming established in primary growing regions.	~0.9°C	~1.1°C	High
Minimum temperatures	A rise in minimum spring temperature may prevent consistent bud-break and king flower production in primary growing regions.	~l°C	~1.25°C	High
Maximum temperatures	A rise in summer maximum temperatures may increase energy costs in postharvest sorting and distribution centres.	~1°C		Moderate
Number of hot days (>25°C)	An increase in the number of hot days in primary growing regions may increase the risk of heat stress among orchard workers.	~75% increase	~95% increase	Moderate
Average rainfall	Kiwifruit vine water demand may increase with rising temperatures, impeding on fruit development in water-deprived areas.	Substantial regional and seasonal variation		Moderate
Drought	An increase in the severity and frequency of droughts, especially in already dry areas, may impede on fruit development.	100mm increase in PED ³		Moderate
Number of dry days (<1mm / day rainfall)	An increase in the number of dry days may marginally alter the risk of drought and water stress in primary growing areas.	0-5% Increase in dry days		Low
Extreme rainfall events	An increase in extreme rainfall events may marginally alter the risk of harvest losses, soil erosion, flood damage and diminish soil productivity. O-5% increase in the magnit of a 99th percentile rainfall events may marginally alter the risk of harvest losses, soil erosion, flood damage and diminish soil productivity.			Low
Extreme wind speeds	An increase in extreme wind speeds may see more wind damaged fruit on the vine.	0-2.5% increase in the magnitude of a 99th percentile daily mean wind speed		Low

Figure 1: Zespri physical climate risk scenario analysis and risk ratings for New Zealand growing regions (PED = Potential Evapotranspiration Deficit)



Figure 2: Risk ratings applied to assess Zespri's New Zealand climate-related risks

Temperature change

A rise in minimum spring temperatures is likely to have a greater impact on the Hayward variety, which requires more chilling. Rising average summer temperatures will increase vine water demand and may impede fruit development in water-deprived areas. An increase in the number of hot days could cause thermal stress and have negative impacts on production. Warmer temperatures are expected to lengthen growing seasons. Plants will start maturing earlier potentially exposing them to frosts. Although the number of frosts are generally expected to decline, when they do occur, their impact could be much larger than previously experienced. Frost protection will become increasingly important. Biosecurity risks are expected to increase with invasive pests and pathogens finding conditions more suitable as the climate warms.

On the flip side, warmer temperatures and longer growing seasons in some regions may result in higher quality fruit (e.g., increased dry matter) and yield. Warmer temperatures may make existing sites with sub-optimal growing conditions (colder) more favourable and alternative growing locations may become more suited to production.

Rainfall

There is less certainty about changes in rainfall because it is more difficult to model. It is changes in rainfall patterns that are more likely to impact than reduction in rainfall. Enhanced risk of dry periods and drought are considered likely and may be intensified by increasingly strict water use regulations. Under a High emissions scenario, water access is likely to become a key concern over a long-term period (30-80 years). Heavier rainfall events are expected, which could have impacts such as flooding and waterlogging of soils.

Hail

In New Zealand growing regions there is a projected decrease in precipitation (including hail) over time. However, crop damage due to large hail events has been experienced in recent times (Motueka, December 26, 2020 and Te Puke in April, 2023) and remains a risk, one potentially affecting not just the current crop but future crops.

Wind & other extreme weather events

Changes in wind speed are unlikely to be severe before mid-century. However, risk of wind-rub damage may rise and should be monitored so that additional protective measures can be put in place as appropriate. There is an expectation that the frequency with which extra-tropical cyclones may impact on kiwifruit growing regions in New Zealand will increase. However, current climate change models display little uniformity in their projection of intensity, frequency or reach of these storms in coming decades.

Non-Physical Risk

Climate change does not only pose physical risks to the kiwifruit industry. The risk of tightening environmental regulations and increasing consumer concerns about unsustainable products are likely to impact more in the short to medium term (10-30 years), where the physical risks will steadily increase over a longer time frame. These are also called "Transitional Risks" because they are the regulatory impacts of transitioning to lower carbon economies.

The Paris Climate Change Agreement, ratified in 2016 and now signed by 194 countries around the world, set a target of limiting total global warming to 1.5°C. Over time this will likely result in increased costs for Zespri. For example, markets including the US, EU and UK are currently exploring the introduction of carbon border tax adjustments. International agreements to reduce emissions from shipping are also expected to increase international distribution costs. In New Zealand, cost increases will be imposed through changes to the Emissions Trading Scheme (ETS) and National Policy Statement on Freshwater Management (NPSFM).

As European and North American customers, in particular, increasingly choose products based on the carbon footprint and other environmental impacts of the producing organisation, this may have brand impacts for Zespri if aspects such as carbon emissions are not well managed.

Right: Hail damage to fruit and canes, Motueka 2020





Industry Response

Adapting to the physical impacts of climate change can be assessed on different levels:

- **Tactical adaptation:** This involves modifying production practices within the current system, such as using different sprays, irrigation practices, pest management strategies, or pruning practices.
- Strategic adaptation: A change is made to the current production system in
 a substantive way which may mean a change in cultivar, a change to the vine
 support trellising system, or the installation of netting for hail protection or
 shade. Zespri's assessment of new varieties in the industry's cultivar development
 programme considers traits related to climate change, such as greater pest and
 disease resistance and no reliance on bud-break enhancers.
- Transformational adaptation: Involves adoption of a new production system, or a change in the location of the industry. Climate change could see kiwifruit being grown in parts of New Zealand where it currently isn't because of the climate in those areas becoming more favourable for kiwifruit. Other factors like soil and water availability would need to be favourable too to support this.

Climate Change Adaptation Plan

Zespri published its first adaptation plan for the Industry in 2022. This was developed in consultation with stakeholders across the supply chain and the purpose of the plan is to help Zespri and the Industry focus on the most important actions needed to adapt. As this plan was being developed, regional fact sheets were created to show the anticipated climate change in each region and how growers can adapt.

The plan and factsheets are available here: https://www.zespri.com/en-NZ/Sustainability-Our-Environment/

Research

Zespri is investing more than \$1 million per year in research to understand more about mitigating and managing the impacts of climate change. From assessing the carbon footprint of the Zespri Global Supply business, to understanding the water requirements of kiwifruit vines, investigating soil carbon storage, and modelling the impact of changes in weather on yield, there is commitment to taking a science-led approach to the solutions that are put in place.

Changing customer requirements

Increasingly customers are wanting suppliers to demonstrate they are measuring and mitigating their climate impact. For the kiwifruit industry, this is reflected in the 2023 introduction of requirements into Zespri GAP for growers to be measuring and mitigating their emissions. Zespri GAP is the audited customer assurance programme that growers must follow to ensure that safe fruit is produced with minimal impact on people and the planet. Although these emissions requirements are currently optional for growers, these may become mandatory.

To help growers with these requirements, Zespri has built an online carbon calculator that growers can use to estimate their emissions (i.e. carbon footprint). Zespri is also developing resources on how growers can minimise their emissions, which is being informed by research trials. This is all available via Zespri's grower portal 'Canopy'.

4.5 OUR COMMUNITIES

Community investment is about recognising that our success as an industry relies in part on the happiness and health of the communities and environment where we live and work.

It makes sense to look after what we value. For us, that's the incredible backyard we get to call home and the safety and wellbeing of the communities we're part of.

We rely on the skilled, innovative people in our industry and the special characteristics that make this country such a great place to produce and export our premium kiwifruit, and we are proud to channel some of our industry's success back here.

Our community investment programme has grown as our industry has grown. Some initiatives that are proposed by growers and others are a direct response to the needs we see around us every day. Increasingly, our community investment is focusing on three areas: building a happy and healthy community, a skilled and connected industry and enhancing our local environment.

Zespri has two national partnerships, both involving the health of young people. Zespri Young and Healthy Virtual Adventure supports health and wellbeing programmes for 20,000 Kiwi children and their whānau, and the annual Zespri AIMS Games brings together more than 12,000 intermediate-aged children in a festival of sport. This is the largest sporting event in the Southern Hemisphere and right next door to our Mount Maunganui headquarters.

See: https://www.youngandhealthy.org.nz/



Right:
Te Ākau ki Pāpāmoa School students at the launch of the Zespri Young & Healthy Virtual Adventure at their school with the Zespri KiwiBrothers



Right: Students enjoying the festive atmosphere at the Zespri AIMS games



We have six major partnerships with essential community groups. They are YSAR youth training and leadership development, Ōtanewainuku Kiwi Trust, food rescue and community-building charity Good Neighbour, Te Puke-based trust The Daily which offers food and so much more to the local community, Surf Life Saving Eastern Bay and KidsCan, which works to get children essentials such as raincoats, shoes and food so they can focus on learning.

The people behind these programmes are making our community better and we are proud to stand alongside them.

Our national and major partnerships are bolstered by an exhaustive list of smaller collaborations from scholarships and awards aimed at growing skills in our horticulture workforce to fruit donations, and feel-good events like the Christmas float parade in Te Puke, the Kiwifruit Capital of the World.

Developing the people in our industry is a key focus because we see how important it is to continually invest in the skills and leadership our industry needs for the long term.

These three pillars of building community, industry and the environment are our way of making sure this investment matters and that each new partnership aligns with Zespri's values, building genuine connections with our partners. As our industry grows, it's really important the contributions we make in our local communities grow too.

Right: In 2024 Ōtānewainuku Kiwi Trust welcomed two new Zespri-named kiwi chicks, Jack (pictured) and Kobe



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SCIENCE AND SUSTAINABILITY

4.6 SCIENCE

Organic Production

There is increasing consumer desire for healthy, nutritious, safe and good tasting foods that are also good for the environment. As the world's population becomes more conscious of their consumption, they are increasingly willing to pay a premium for healthy products. "The organic market is the fastest expanding, multi-food category globally, pushing double digit global growth over the last decade and is now mainstream. The world wants safe, clean, honest food." (2018 OANZ Report)

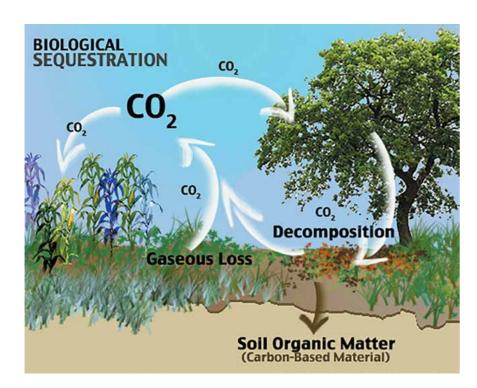
In 2023/24, there are 458 hectares of organic green kiwifruit and 299 hectares of organic gold kiwifruit in production. Organically grown kiwifruit generally has lower average yields than conventionally grown kiwifruit. This is offset by a premium price achieved over that for conventional fruit. It is therefore possible for the returns of organic growers to be as good if not better than conventional growers. The core markets for Zespri Organic are North America, Europe and Japan which account for over 80% of Zespri Organic sales by volume (2018 OANZ Report).

Zespri Organic Kiwifruit is grown to the strictest organic standards and is certified by Bio-Gro, New Zealand's organic protocol organisation. Key input differences are that fewer agrichemicals can be used on organic orchards and synthetic nitrogen (e.g., CAN, urea) is not permitted.

Carbon Sequestration

This is the process by which carbon dioxide is absorbed during photosynthesis, and is stored as carbon in biomass (trunks, branches, foliage, and roots) and in the soil (Image below). Kiwifruit orchards therefore have the potential to sequester carbon in vines plus shelterbelts ("Biomass") and ultimately in the soil in the form of organic matter. This could go some way to offsetting emissions associated with producing the fruit. Research is underway to understand the amount of carbon being sequestered in New Zealand kiwifruit orchards.

Right: Biological sequestration



The Role of Soil

For many growers, the health and quality of their soils is an important consideration in their management activities. Globally, health and quality of soils is also seen as important by consumers, retail customers and society. Reasons for this include the role of soil in supporting food production, filtering of water, supporting ecosystem biodiversity and function in the carbon cycle.

Storage of carbon in kiwifruit soils as organic matter occurs because of how we grow and manage our orchards. Many Bay of Plenty orchards are located on allophanic soils that, due to their chemical properties, are good at stabilising any organic carbon deposited within the soil profile. Kiwifruit vines have a root system that can explore soils at depth, and typically can turnover about 40 percent of their root mass annually. For soil carbon accumulation, this root turnover has two main benefits:

- it can deposit carbon from the roots not remobilised into the plant
- the channels created by roots that have died back can provide earthworms with deeper access into the soil profile.

Pergola-trained kiwifruit vines also maintain a moist soil surface over summer, allowing surface organic matter to be broken down by soil microorganisms, and digested by earthworms or washed into root channels for deeper deposition.

Once deposited, this organic matter can improve water storage capacity of soils; reducing the amount of irrigation required or in some cases the need for irrigation. Soil organic matter also plays an important role in reducing the leaching of nutrients, such as nitrogen, and subsequently improving the efficiency of their use, as well as supporting microorganisms that assist in remobilising nutrients from soils for plants. As some food cultivation systems can result in the degradation of organic soil matter and soil function, it is important to be able to demonstrate to our customers the long-term sustainability of our soil resources.

Kiwifruit orchards therefore have the potential to sequester carbon in vines plus shelterbelts ("Biomass") and ultimately in the soil in the form of organic matter."

Right: Soil profile showing dark high-carbon topsoil to 20cm depth



To read more on Soil Organic Carbon (SOC) in Kiwifruit Orchards See: http:// www.biosoil.co.nz/ news/id/105



SCIENCE AND SUSTAINABILITY |

4.6.1 Sustainable Nutrient Management

When the term 'sustainable nutrient management' is used, it is often in relation to maintaining or improving freshwater quality. The most prevalent problem is eutrophication which is the nutrient enrichment of freshwater bodies leading to the growth of unwanted aquatic plants like algae and rooted plants. Excessive levels of nutrients in water can also be harmful to animals and humans, particularly infants.

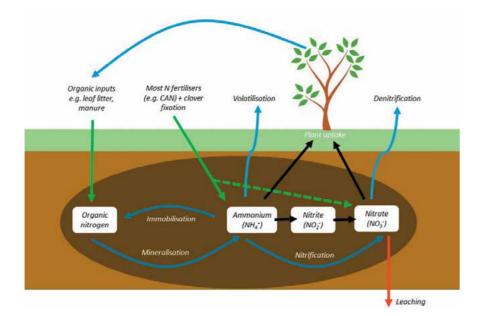
Nitrogen (N) and phosphorus (P) are presently the main nutrients of concern and must be carefully managed as the input of these into a water body can significantly affect its quality. Consequently, there is growing social and regulatory pressure to mitigate the impacts of these. Understanding the N and P cycles, and how these can move from land and into water bodies is key to managing these nutrients effectively. Losses of sediment and *E. coli* to freshwater are also a concern in some places.

Leaching

Leaching refers to the loss of nutrients and other chemicals through the soil with water as it drains through. Weather (particularly rainfall), soil characteristics, irrigation, fertiliser practices and plant uptake are the main factors that contribute to leaching from kiwifruit orchards. An orchard with a free draining soil that is saturated, where soluble fertiliser is applied prior to a major drainage event (e.g., heavy downpour) may lose a significant amount of nutrients.

Nitrogen (N) is the main leaching risk for freshwater quality. This is because nitrogen applied to or already present in the soil is converted to nitrates (NO3-), which are not strongly held by the soil and are therefore are readily leached with water as it drains down through the soil profile. Although N is usually available in the soil for plant uptake initially in the form of ammonium, which leaches much less, this is converted to nitrate through the microbial process of nitrification (see figure below).

Right: Soil nitrogen cycle for a plant-based system



How much N is Applied to Kiwifruit Orchards and how much is Leached?

Generally, mature kiwifruit orchards generally receive around 100 kg N/ha/yr (Nitrogen/per hectare/per year), give or take about 20%. Developing orchards may receive more to develop canopy quickly. On conventional orchards, more soluble fertilisers like calcium ammonium nitrate (CAN; 27% N) are commonly applied while on organic orchards, relatively insoluble inputs like composts are often used, at 5-10 tonnes/ha; developing orchards and orchards where soil organic matter is low may receive considerably more compost than this.

Associated N losses to water from kiwifruit has been investigated in a long-term research project with Plant & Food Research, funded by Zespri. From this, the amount of nitrogen leached has been modelled to be in the range of 17 - 38 kg N/ha/yr (Source: NZ Kiwifruit Journal, Oct/Nov 2020). Research is ongoing to refine this modelling, including how much nitrogen is being released from compost.

As far as ecological and human health concerns are framed, it's the concentration of nitrate-nitrogen (mg N/L, or parts per million) in water that is important, not the loading (kg N/ha/yr). High concentrations of nitrate in drinking water can pose a health risk for certain people, particularly bottle-fed babies who drink formula made with the water. For this reason, the Ministry of Health has a Maximum Acceptable Level (MAV) of 11.3 mg/L (or parts per million) for nitrate-nitrogen. Measured and modelled values for kiwifruit on average have been found to be below this.

How are Nutrient Losses Determined?

Directly measuring nutrient losses from farms is not practical and is expensive. Therefore, models are often used to estimate losses. In kiwifruit, two models called OVERSEER™ and SPASMO have been used previously as these have dedicated kiwifruit components. OVERSEER™ is the most widely used model in New Zealand agriculture and is being used to develop nutrient budgets i.e., reports showing the amounts of nutrients added and lost from farms. In some places it is mandatory for OVERSEER™ to be used in order to obtain consent to farm. OVERSEER™ is not used much in the kiwifruit industry, one of the reasons being that it has not yet been well calibrated for kiwifruit and should therefore be used with caution.

For more information, visit http://overseer.org.nz.

Phosphorus

Phosphorus is the other main nutrient of concern for freshwater quality. Like N, too much P in aquatic environments can lead to excessive plant growth, algal blooms and the depletion of oxygen dissolved in the water. But unlike N, the main pathway for P entering our waterways is via runoff causing loss of soil particles, which have P attached, unless the soils are coarse pumice or sandy in which case leaching could occur. Generally, P losses from kiwifruit orchards are thought to be low because orchards are relatively flat and so surface run-off of water is lower. Also, features like grass swards and shelterbelts impede run off. Research is underway to measure P run-off from kiwifruit orchards.

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Recommended Practices for Sustainable Nutrient Management in Kiwifruit

The 4Rs of Nutrient Stewardship

This is the concept of applying the right fertiliser source at the right rate at the right times in the right place. More specifically:

- Fertiliser inputs should match what the plant requires taking into account production goals as well as the availability of nutrients in the soil. The process of mineralisation (i.e., release of N from organic matter) should be considered as this can supply nitrogen for plants. Applying higher amounts of N may not necessarily increase production but result in unwanted vigour.
- · Don't apply N when the drainage risk is high, for example in the wetter winter months and when the soil is waterlogged.
- If N is applied in one application, then some of that will not be taken up by the plant and be available in the soil to be leached. First application of the season should be as close to bud break as practical. Applying well before in wetter months does not advantage N uptake but increases the risk of leaching. Generally, for kiwifruit it is recommended to split applications i.e., apply around two thirds prior to budbreak and the rest in late spring/ early summer, prior to fruitset.

Other options for minimising nutrient losses in a kiwifruit orchard are presented below. Growers should consider how these might affect their economic and production objectives.

Plant Vegetation Around Waterways

Buffer zones of vegetation adjacent to waterways act as a last line of defence and will filter nutrients as well as reduce erosion and enhance biodiversity. These zones are commonly referred to as riparian zones.

Minimise Bare Ground

Plants present in orchards will take up nutrients that would otherwise be lost. Ground cover also protects the soil which is beneficial. Research is proposed to better understand the benefits of ground covers in kiwifruit orchards where low light conditions are a challenge to establishment, as are other practices such as agrichemical use. Having a sward with clover present instead of bare ground is beneficial as it will add N to the orchard system. because the clover assimilates N from the atmosphere (through the process of nitrogen fixation).



Sustainable Management Practices: How does your region measure up?

For the regions where kiwifruit is mostly grown, freshwater quality is generally stable or improving although some individual measures in some regions have been deteriorating. To view freshwater quality trends for a specific region or catchment, visit the Land Air Water Aotearoa (LAWA) website http://www.lawa.org.nz.

Maintain Plant Health

Ensuring good plant health and healthy root systems will help to prevent leaching by ensuring the plants are functioning optimally to take up nitrogen.

Consider Less Soluble Forms of N

Organic fertilisers for example are thought to be inherently less soluble and N leaching risk is less. However, they may not deliver sufficient available nutrients to meet fruit production goals. Less soluble forms of synthetic fertiliser (e.g., slow or controlled release) are also available, however like organic forms they may not supply sufficient nutrient when required and are usually more expensive.

4.6.2 Agrichemcial Use

Agrichemical use is required to achieve desirable production outcomes; however, agrichemicals usually have environmental and human health risks associated with their use. Zespri and the kiwifruit industry are committed to mitigating these risks and have the following processes in place to do so:

- 1. Zespri operates a good agricultural practice assurance programmed called ZespriGAP (based on GLOBALG.A.P.) which growers must comply with. This has a significant number of requirements that growers must meet relating to the use of agrichemicals. (For more information on GLOBALG.A.P see section 8.3)
- 2. Zespri each year produces a Crop Protection Standard which prescribes in detail what agrichemicals can be used on kiwifruit, when and how much.
- 3. Related to the above, the industry operates a "KiwiGreen" programme in which orchards are monitored for pests and only if one of the thresholds are reached can sprays be applied. This helps to minimise sprays use on orchards.
- 4. Those applying agrichemicals must be trained i.e. GROWSAFE approved (https:// www.growsafe.co.nz/).
- 5. All agrichemicals used must be recorded in an online spray dairy provided by Zespri, which is audited.
- 6. At harvest, Zespri tests fruit for agrichemical residues to ensure fruit is free of harmful residues.
- 7. Zespri are investing in Research & Development to identify safer agrichemicals.

Orchard sprayer where the driver is in a cab

Rear of orchard sprayer showing the fan





Copper Case Study

Copper, which has been commonly used in kiwifruit to control the Psa disease and to encourage natural leaf drop, is presented as a case study to illustrate the impacts associated with agrichemicals. The case study is split into three parts: a description of copper and what it is used for; copper's ecological impacts; and copper's impact on the health of kiwifruit plants.

What is Copper Used for?

Copper is registered for use on virtually all food/feed crops as a form of disease control. Copper sprays are used in many horticultural industries to protect foliage and fruit from a range of bacterial diseases. Copper is also used by some kiwifruit growers as a defoliant in autumn i.e., to accelerate leaf drop.

Successful disease control depends on both an even distribution, and good retention of the copper across all plant surfaces. Copper is most effective on those diseases

that need water present to develop—such as Psa.

SCIENCE AND SUSTAINABILITY SCIENCE AND SUSTAINABILITY | Copper is a bactericide, and it can kill the bacteria on contact. The copper ions travel through the cell walls of the bacteria and disrupt the cellular enzyme activity. It is non-systemic i.e., it is not absorbed or circulated by a plant; it only kills bacteria on the plant surface. As copper is a protectant, it needs to be applied evenly to the plant surface before the disease develops. It is often applied in conjunction with adjuvants that have super spreading capabilities, to allow better coverage with a lower total dose of copper.

Ecological Impacts

Small quantities of copper are necessary for the functioning of most forms of life, but to most aquatic organisms excess levels of copper are highly toxic. The main cause of copper toxicity to fish and aquatic invertebrates is through rapid binding of copper to the gill membranes, which causes damage and interferes with osmoregulatory processes. The amount of cupric ion in the environment, and its toxicity to aquatic animals through gill damage, is dependent on a number of water quality parameters including pH, alkalinity, and dissolved organic carbon.

Many terrestrial animals have the ability to cope with some amount of excess copper exposure by storing it in the liver and bone marrow. Laboratory toxicity studies have shown that exposure to high levels of copper in the diet can overwhelm the ability of birds and mammals to maintain the stability of their body's internal environment in response to changes in external conditions. However, animals which are repeatedly exposed to levels of copper (which do not cause permanent harm) may undergo enzymatic adaptation which allows them to cope with greater levels of exposure. Available data from a honeybee acute toxicity study indicated that copper is practically nontoxic to honeybees.

To reduce ecological exposures, product use labels have been amended, by way of a reduction of application rates, defining application intervals, and determining seasonal maximum application rates. Monitoring weather conditions and minimising spray drift go some way to reducing non-desirable impacts.

Plant Impacts

Copper is considered as a micronutrient for plants. Enhanced industrial and mining activities have contributed to the increasing occurrence of copper in ecosystems. Excess copper in the soil can induces stress and causes toxicity in plants. This leads to plant growth retardation and leaf chlorosis and/or burning. In kiwifruit vines copper toxicity often appears first in the leaves, similar to many other nutrient toxicities. Some key factors that play a role in toxicity problems are listed below:

- · Using products that are not designed as agrichemicals
- Excessive chemical rates
- Tank mixing of multiple chemicals
- Poor tank agitation
- · Slow drying conditions
- · High temperatures during application
- · An excessive use of spreader/super-spreaders at high water rates
- · An excessive build-up of chemicals on leaves

Left: Leaf speckling

Right: Leaf burn at the leaf margin





Left: Bronzing of the upper leaf surface

Right: Brown staining of leaf veins





Growers must weigh up the risk of disease killing their vines, the risk of chemical use to the environment, and the risk of phytotoxicity resulting in small, light green leaves that cannot support the development of high yielding high quality fruit.

Zespri works closely with growers to ensure that copper, a critically necessary tool to manage Psa, is used effectively with minimum environmental impact. An upper limit is placed on the amount of copper that a grower can apply in one year and this is closely monitored by Zespri – 8 kg/ha/yr for conventional and 6 kg/ha/yr for organic.

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4.7 BIOSECURITY

As an island nation, New Zealand has a unique ecosystem as our native species have evolved without any natural predators. The arrival of new species, including humans, has disrupted the balance many times. The introduction of pests and diseases remains a continual threat to our economy, environment, and way of life.

Biosecurity in New Zealand is not a single line of defence at the border, rather it is a multi-layered system that begins offshore (including international trade agreements and approved treatment facilities offshore), incorporates border interventions, and continues postborder. Here it becomes a joint effort with action and measures taken by central and local government, industries, the science community and others. These post-border activities include surveillance for early detection of new pest incursions; readiness and response actions when a new pest is detected; and on-going pest management to contain or reduce the impact of pests that have become established.

Kiwifruit Vine Health (KVH)

KVH is a leading biosecurity organisation, dedicated to supporting the New Zealand kiwifruit industry. They were established in December 2010 to lead the industry response to the Psa incursion. Since November 2012, KVH has been the lead organisation responsible for managing all biosecurity readiness, response, and operations on behalf of the industry and in 2024 its mandate was expanded to include coordination of industry responses to significant adverse weather events that affect orchard plant health. KVH works collaboratively with kiwifruit growers, NZKGI, Zespri, the postharvest and associated industries such as beekeepers, pollen providers, nurseries and contractors, and government, particularly the Ministry for Primary Industries (MPI).

Investment in science to understand the nature of significant biosecurity threats, and developing tools for their management should they arrive, is a big priority for the industry. KVH and Zespri have already invested over \$16 million in Psa research and innovation to understand how to manage the disease and are looking to invest more in research for other biosecurity threats.

See: https://kvh.org.nz/





Kiwifruit Vine Health (KVH) undertakes readiness and response planning to minimise the impact of future biosecurity incursions to the kiwifruit industry.

The following organisms are considered the highest risk to the kiwifruit industry, based on the likelihood of them getting here and establishing; and the potential production and market access implications should this occur.

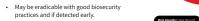
Our next incursion won't necessairly be an organism on this list however. We all need to be on alert for any unusual pests or plant symptoms and maintain on-orchard biosecurity best practice ALL the time.

FRUIT FLIES



CERATOCYSTIS WILT

- Soil-borne pathogen causing damage to kiwifruit in Brazil reports of up to 50% vine loss.
- Vine death can occur extremely rapidly after expression of symptoms. Hayward and Gold3 known to be impacted.
- Distributed globally and other strains may be of concern to kiwifruit.





nths: Year Round for NZ hiding on:

BROWN MARMORATED STINK BUG

- Fruit loss is typically 5-10% but up to 30% on worst blocks.
- Extremely difficult to eradicate early detection is essential. Major nuisance pest overwin
- houses in huge numbers. · High likelihood of entry as a hitchhiker on shipping containers, cars, machinery and luggage



SPOTTED LANTERNFLY

- Hitchhiker pest that is hard to control tends to fly out of orchards when sprayed and return later.



Risk Months: Sep - May Look out for my eggs on:

PSA NON NZ STRAINS

- internationally and could cause severe if they get here.





WHITE PEACH SCALE

- Regularly intercepted on imported fruit. Therefore no imported fruit should be taken on to orchards as a precaution.
- Up to 20% production losses reported o
- NZ envrionment considered favourable for establishment





YELLOW SPOTTED STINK BUG

- Large stink bugs with distinctive yellow markings. Adults are about the size of a 20c coin.
- Attacks more than 50 host species, including kiwifruit.
- Feeding damage can result in significant fruit loss, similar to BMSB.
- · Known hitchhiker pest which can arrive on shipping containers, cars, and machinery





INVASIVE **PHYTOPHTHORAS**

- Easily spread, particularly with plant



Risk Months: Year Round I can enter NZ hiding on:







TO REPORT UNUSUAL PESTS OR DISEASES CALL THE MPI HOTLINE 0800 80 99 66 OR KVH 0800 665 825

www.kvh.org.nz



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4.7.1 Case Study: Exotic Fruit Flies

There are three species of fruit fly of particular concern: the Oriental Fruit Fly (*Bactrocera dorsalis*), the Mediterranean Fruit Fly (*Ceratitis capitate*) and the Queensland Fruit Fly (*Bactocera tryon*).

These fruit flies are considered one of the most serious biosecurity threats to the kiwifruit industry due to their ability to cause serious damage to crops, as well as their economic consequences – which would be far greater and include market access implications as well as costs associated with quarantine and monitoring.

Queensland Fruit Fly (QFF) are of particular concern as this species has a very limited distribution in Australia, but the highest risk of entry to New Zealand given our proximity, trade and tourism routes.

New Zealand is one of the only countries in the world that has a major horticultural industry and is free of fruit flies that attack commercial fruit. This is of significant advantage to our growers exporting to other markets and is something that New Zealand works hard to maintain. Our fruit fly surveillance programme has been operating for decades and involves over 7,800 traps nationwide for postborder detections.

Fruit flies are most likely to arrive in fresh produce brought into New Zealand commercially or privately with passenger arrivals. There have been many border detections, as well as some significant post-border detections that have triggered biosecurity responses:

- · A breeding population of Mediterranean Fruit Fly was found in Auckland in 1995.
- A Queensland Fruit Fly breeding population was found in Auckland in 2015, and multiple flies were discovered in 2019, although no breeding population was detected.

The high-risk period for fruit fly incursions is September to June each year. KVH data shows that national surveillance traps were visited more than 18,000 times during the 2023/24 risk season, with 664 samples tested - all of which thankfully tested negative for fruit fly.

Identification

Not to be confused with the tiny drosophila or vinegar flies often found around decaying fruit, these fruit flies are a similar size to the common house fly. Adult QFF are 6-8mm, reddish-brown with distinct yellow markings. However, since the most likely entry for QFF to New Zealand will be in infested fruit or vegetables, it is important to be able to identify eggs and larvae in fruit.

Left: Adult Queensland Fruit Fly

Right: QFF eggs in an apple





Signs and Symptoms

The adult female QFF has a sharp retractable ovipositor (egg-laying organ) at the tip of her abdomen. She uses this to dig a flask-shaped chamber around 3mm deep in the outer layer of the fruit, where she then deposits up to 12 eggs. These eggs hatch after 2-3 days, the larvae (maggots) then begin feeding on the inside of the fruit.

Clues that fruit is infested with OFF:

- A sting on the surface of the fruit you might also see a sting (about the size of the top of a pin) on the surface of the fruit where the adult female QFF lay the eggs
- Eggs inside host fruits and vegetables eggs are white, 1mm long and bananashaped. They can be hard to see
- Maggots (larva) inside fruit maggots are 5mm to 10mm long and creamy-white
 in colour. They usually eat towards the centre of the fruit and cause it to rot (though
 the fruit might look in good condition from the outside)

Right: QFF maggot and sting in tomato



Distribution and Climate Range

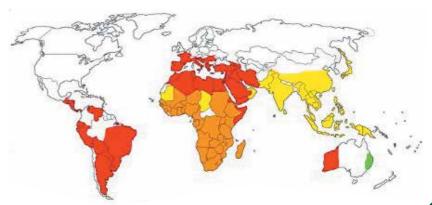
Oriental and Mediterranean Fruit Fly are both widely distributed over the world, with many host species recorded. QFF is endemic to Australia and found only in the Eastern states. In its native home, QFF costs growers hundreds of millions of dollars in damage and pest control. Millions more are spent on control measures to prevent further spread within Australia and are lost in access to international markets. QFF has already spread beyond Australia to New Caledonia, French Polynesia and Pitcairn Island. Conditions in New Zealand are somewhat favourable for a population of QFF to establish should they avoid detection at the border, but only in the northern regions. However, this may change as the climate warms. Incursions of QFF could result in the greatest impact from markets since this pest is not currently present in any of our major kiwifruit trading markets.

Right: Map showing fruit fly distribution

- Oriental Fruit Fly

 Mediterranean Fruit Fly

 QFF
- Mediterranean/Oriental Fruit Fly



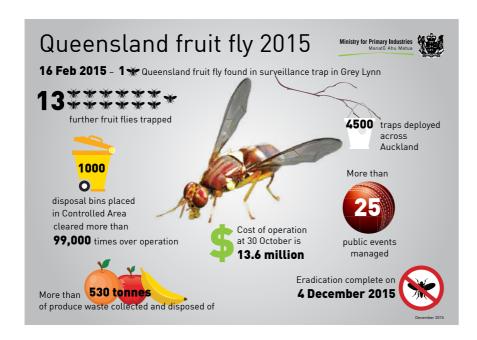
Control

Preventing entry, followed by early detection and immediate responses to any incursion are essential to preventing exotic fruit flies from establishing here. New Zealand deploys resources at the border to prevent entry including:

- Promotion to incoming passengers of the need to declare and dispose of fresh produce
- · Detector dogs targeting fruit being carried by passengers
- Inspection of import consignments
- · Accreditation scheme for cruise vessels to manage the risk of fresh produce on board
- · Biosecurity screening of mail items

Beyond the border, there is a comprehensive surveillance network of almost 8000 pheromone traps. These target the three main fruit fly species but can detect over 80 species. The traps are checked every two weeks and placed in grids throughout New Zealand, including in kiwifruit-growing regions. There is an escalating sequence of prescribed response activities that take place once a fly has been detected.

This begins with an immediate STOP notice for the area to prohibit any fruit movement for 48 hours while control areas are established. Further surveillance traps are added, and fruit monitoring for larvae begins. If any evidence of a breeding population is found (eggs, larvae, mated female fly) further movement restrictions are put in place, potentially including an Export Restriction Zone (ERZ), while organism management begins (tracing, baiting, ground and cover spraying, and fruit collection). The MPI infographic below records the response to the 2015 QFF incursion, which occurred in an urban area (Grey Lynn, Auckland), not a fruit-producing area.



For more information see the Kiwifruit Growers' Fruit Fly Preparedness document at https://kvh.org.nz



4.7.2 Industry Response to Psa

Pseudomonas Syringae pv. Actinidiae, (Psa or Psa-V)

Psa is a bacterial disease that can kill kiwifruit vines. It carries no risks associated with human or animal health and does not affect plants other than kiwifruit vines. It was discovered for the first time in New Zealand on a Te Puke kiwifruit orchard in November 2010. Since then, Psa has spread rapidly and now 93% of New Zealand's kiwifruit hectares are on an orchard identified with the disease.

Psa can spread rapidly through weather events, namely wind and rain, and the movement of plant material. It can also spread through unclean footwear, vehicles, machinery, and orchard tools. Psa thrives in wet, humid conditions; and multiplies quickly in wet conditions. Therefore, spring and autumn are high-risk periods for Psa to spread. The disease slows down in warm, dry conditions like summer.

In an orchard Psa can exist as:

- An epiphyte, living on plant surfaces without causing high levels of infection; and/ or
- As an endophyte, living within the vine, having entered through natural plant openings or man-made wounds—resulting in severe infection.

Growth of the bacteria outside/inside the vines can result in leaf spotting, cane/ leader dieback and, in extreme cases, vine death accompanied by the production of exudates.

Left: Leaf spotting symptom of Psa (KVH)

Right: Exudate (ooze) coming from a kiwifruit plant is another symptom of Psa (KVH)





The outbreak of Psa in 2010 was a severe blow to the kiwifruit industry. The industry was seriously questioning its future as the vine killing disease rapidly spread and growers watched helplessly as entire orchards were removed. The greatest impact from Psa was felt in 2013/14 when grower payments were down 17 percent due to a 55 percent reduction in volumes of Gold kiwifruit. However, the focus of conversation about Psa among industry and government bodies nationwide today is more about the industry's remarkable recovery from it, rather than its grim history.

The success of the industry's recovery has been a combination of many factors but is underpinned by the replacement of the highly susceptible Hort16A variety, with the more Psa-tolerant Gold3 variety. Through a combination of research and development, grower innovation, and by banding together to share knowledge, an enormous amount of information has been discovered about the disease and how best to manage it.

Growers now have several tools and best-practice techniques available to them to help manage the disease and remain profitable in a Psa environment. This section will outline some of the initiatives and actions put in place by industry to bring the industry back from the brink of devastation and onwards to new levels of success.

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Innovation - the Development of Psa Tolerant Cultivars

Plant & Food Research is the sole research provider to the New Zealand Kiwifruit Research Consortium, jointly funded by the Ministry of Business, Innovation and Employment (MBIE) and Zespri. Together they are developing new cultivars of superior quality that command a market premium, with a focus on taste, novelty and convenience. Additionally, new cultivars are bred with tolerance to diseases,

In 2021, Zespri and Plant & Food Research launched a 50:50 joint venture named the Kiwifruit Breeding Centre. The Centre is based in Te Puke, with a focus on driving greater innovation within kiwifruit breeding, creating healthier, better-tasting and more sustainable varieties. The organisations will share royalties from any future commercialised new varieties.

See: https://www.plantandfood.com/en-nz/article/ new-kiwifruit-breeding-centre-launches-to-boostinnovation



Research and Development Programme

KVH and Zespri Innovation run a global research and development programme into Psa. The programme was established in early 2011 and has enlisted the best scientific minds globally to provide solutions for Psa. The Innovation team partners with around 20 global researchers to provide the best available expertise to the New Zealand kiwifruit industry. The programme includes product testing to identify, rigorously test and get permission from MPI to use suitable products to help manage and control the spread of Psa. To date, more than 300 products have been tested for efficacy against Psa.

See: https://kvh.org.nz/r-d/psa-r-d



Pathway Management Plan (PMP)

In 2022, the Pathway Management Plan was introduced to replace the National Psa Management Plan (NPMP) which came to the end of its 10-year legislative term in 2023. Instead of focusing on a single pest (like Psa) the new PMP focuses on protection against the full range of biosecurity threats to our industry (including Psa) and provides for a consistent and more pragmatic approach to managing pathway risks such as young plants, budwood, pollen, orchard equipment and other items moved by people. The PMP means the industry can detect anything new quickly enough to stop its spread, limit impacts, and aim for eradication.

https://kvh.org.nz/protocols-movement-controls

https://kvh.org.nz/protocols-movement-controls/ pathway-management-plan





GIA (Government Industry Agreement)

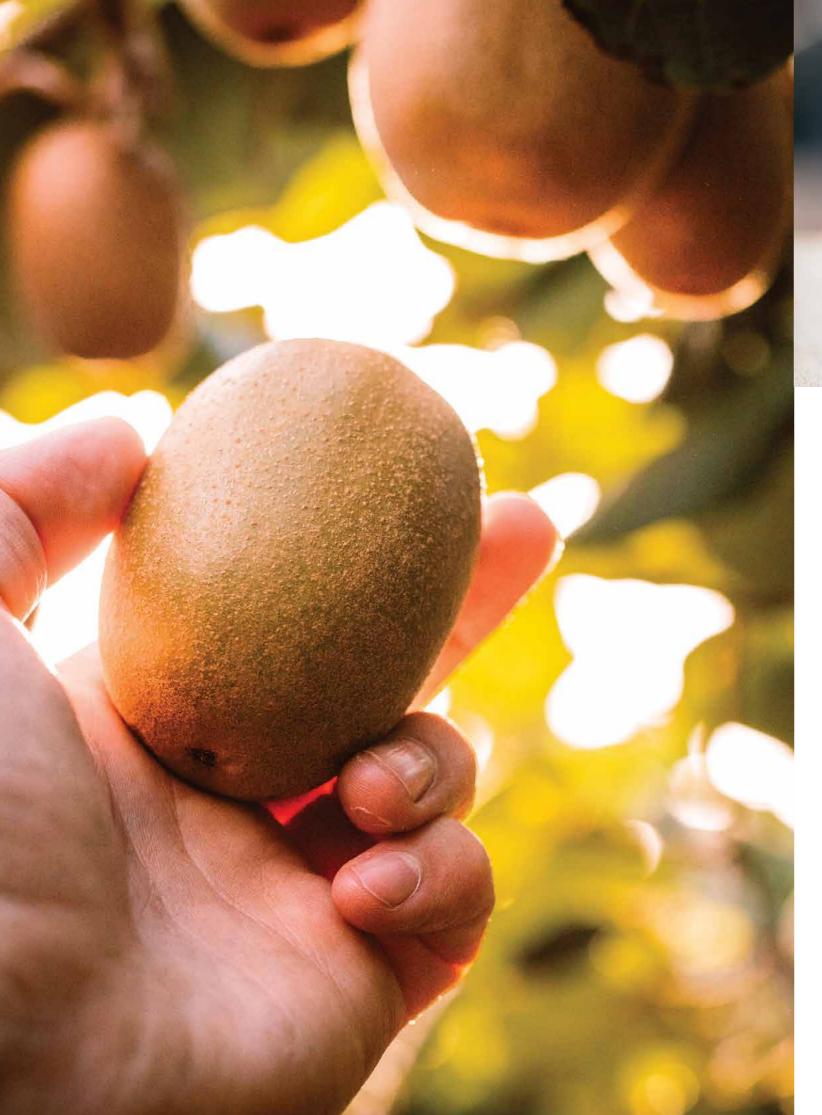
The importance a collaborative, coordinated response to biosecurity incursions is one of the biggest lessons the kiwifruit industry learnt from the outbreak of Psa in 2010. Since then, there is a more engaged biosecurity relationship with government and increased capability to respond thanks to the formalising of the Government Industry Agreement for Biosecurity Readiness and Response (GIA) Deed (signed in 2014), and Operational Agreements (OA) for specific threats.

GIA commits the kiwifruit industry to work with government and other primary sector industries to improve readiness for future biosecurity events, and jointly respond to future outbreaks. What makes the GIA concept so important to the kiwifruit industry is that it enables industry and government to achieve better biosecurity outcomes through the work undertaken jointly. Because decision making, costs and responsibilities are shared, all partners can have the confidence that the best decisions are being made about managing biosecurity - there isn't just one group making the big calls.

GIA was put into action in 2019 when KVH and other horticultural industry groups worked in partnership with the Ministry for Primary Industries (MPI) to respond to detections of fruit flies in three Auckland suburbs. The responses set up in Otara, Northcote and Devonport ran well under the GIA partnership, following the preagreed operational plans established and tested in previous responses. By being involved in decision-making processes, KVH was able to ensure the interests of New Zealand's kiwifruit growers were represented fully. Between mid-February and mid-November 2019, the kiwifruit industry contributed 43 people and 540 staff days to the response, assisting in operational activities that included surveillance, fruit collection, baiting, and public awareness.

KVH and Zespri Innovation run a global research and development programme into Psa. The programme was established in early 2011 and has enlisted the best scientific minds globally to provide solutions for Psa. "

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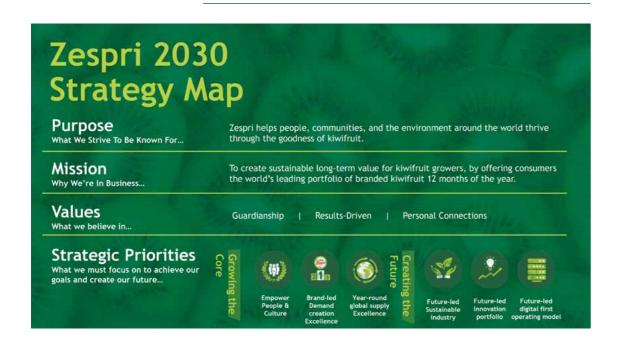
This chapter covers a range of topics that come underneath the commercial umbrella. Firstly, chapter 5.1 examines Zespri's brand and marketing and includes information on the supply and demand of kiwifruit. Chapters 5.2 and 5.3 provide detail around Zespri's unique standards and practices and chapter 5.4 gives readers a lesson on orchard accounting 101.

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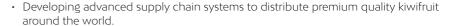


5.1 ZESPRI'S ROLE IN THE INDUSTRY: MARKETING AND INNOVATION



Zespri is acknowledged as a category leader in kiwifruit, managing around 30 percent of globally traded volume. Zespri has built a strong reputation through:

- · Delivering high-quality, healthy kiwifruit to consumers around the world.
- · A focus on innovation to develop new varieties, increase productivity and introduce new, more sustainable growing techniques.



- · Researching the health benefits of kiwifruit with credible research partners to better inform consumers and drive sales.
- · Establishing strong brand awareness and in-market service.
- · Working to understand what consumers want to allow us to make data-driven decisions to meet their needs.
- · A commitment to helping people, communities, and the environment to thrive through the goodness of kiwifruit.

Zespri's long-term strategy sits under six pillars that set out the company's enduring strategic priorities. The six priorities are described below:

Growing The Core

- Empower People & Culture
- Brand-led Demand creation Excellence
- Year-round Global Supply Excellence

Creating The Future

- Future-led Sustainable industry
- Future-led Innovation portfolio
- Future-led digital first operating model

5.1.1 Brand

Investment in the Zespri brand and in-market activity is critical in continuing to build demand for our kiwifruit and return more value to growers.

Natural nutrition is at the heart of the Zespri brand. Zespri believes in delivering quality nutrient-rich kiwifruit that fuels healthy lives. Every Zespri Kiwifruit captures the best of what nature provides, supporting wellbeing through essential vitamins and minerals. Our commitment to quality sets the Zespri brand apart, as quality and taste are fundamental entry points that showcase the unique value of Zespri Kiwifruit, inviting consumers to experience nutrient-rich kiwifruits and reinforcing Zespri as a trusted choice they can feel good about.

According to 2024 Brand Tracker results, Zespri is now the number 1 fruit brand **globally**, based on the weighted average Brand Power score across the 15 core markets. This achievement stands out, especially against brands like Dole, Chiquita, and Del Monte, which have broader retail presence through larger portfolios of fresh and processed fruit products. Zespri's high Brand Power score reflects a strong consumer predisposition to purchase.

This success is part of steady, decade-long growth in key marketing indicators. Alongside Brand Power, unaided brand awareness has more than doubled, rising from 13% in 2014 to 30% in 2024 . This increase means that more consumers now recognize the Zespri brand on their own, enhancing the likelihood that they will choose Zespri kiwifruit when making a purchase.

The growth in both predisposition to buy and unaided awareness, reflects a strengthened premium positioning. Since 2020, when the Zespri brand was relaunched with a refreshed brand identity, the 'Worth Paying More' score, has risen from 26.6% to 29.7%, even amid high inflation and pressures on consumer purchasing power.



'Source: Kantar Brand Tracker, 2024, across our 15 core markets, ranking based on average Brand Power (Global) Weighted average based on country population, CN / US / VN addressable market population

²Source : Annual Zespri Brand Tracker Reports. KANTAR

³Worth paying more is a metric whether consumers see Zespri as high-quality and valuable option, to the point that they're willing to spend a bit more for it compared to other options.

Zespri's marketing activities are driven by the building brand/selling trays approach, blending long-term brand-building with actions that drive immediate sales. This strategy has been embodied by the ongoing evolution of in-market activities, led by the world-famous and award-winning KiwiBrothers campaigns, as of 2024 present in all Zespri's core 15 markets and build markets. The KiwiBrothers have become intuitive key brand assets in multiple markets, have strengthened awareness and affinity while also help drive purchase. Alongside the continuous improvement of its marketing programmes, Zespri has gained recognition for its marketing effectiveness and creativity, winning renowned marketing awards breaking through the confines of the fruit category and standing out amongst much bigger Fast Moving Consumer Goods (FMCG) brands.

Zespri's Head of Global Brand Development, Nikos Patiniotakis, describes Zespri's vision: "We aim to be an iconic brand that creates positive impact by building a healthier planet and society. Delivering exceptional quality for our nutrient rich fruit is central to justifying the premium price consumers are willing to pay."

5.1.2 Marketing

⁴ADNOW reports 2024, KANTAR Based in Singapore, the Zespri Centre of Marketing Excellence works with the in-market teams in three territories, Europe and North America, Greater China, Asia Pacific, to build the Zespri brand effectively and efficiently, along three pillars that deliver long term sustainable value to kiwifruit growers in New Zealand.

- Creating More Demand. Measured in increase of household penetration
- Maximise Willingness to Pay. Measured in increase of the brand premium
- Optimise Marketing Investment. Measured as % of A&P on revenue

The in-market teams develop plans that stretch from above the line communication, to below the line events, publicity, collaboration with health care professionals and consumer activations which are tailored to the market's development stage as well as the cultural context.

In newer markets for the brand, such as the United States, Zespri amplifies the more fundamental entry points for the category, emphasising quality and taste, as consumers are less aware both of kiwifruit and of the brand.

Conversely, in markets like Japan - one of the most developed markets for Zespri - it elevates messages on nutrition and how it contributes to a healthier society, positioning the Zespri brand in a leadership position by addressing a world need in a way that builds the business profitably.

In the macro environment, consumers are facing a multicrisis characterized by the high cost of living, climate events, geopolitical conflicts, and stuttering economic growth. At the same time, the fruit category experiences a professionalization of marketing and innovation activities in the fruit bowl and specifically for kiwifruit, with increased spend in marketing activities and increased investment in innovation, with more PVRs been registered.

"We remain committed to evolving our marketing and continuing to pioneer new ways of connecting with our consumers, as we navigate their shifting priorities and behavior amid increasing competition," says Nikos.















The Zespri marketing teams continue to focus on driving efficiency and effectiveness with a focus on implementing fewer, bigger initiatives with quality, and maximizing the utilisation of existing marketing initiatives. In 2024/2025 Zespri completed the rollout of its distinctive brand asset – the KiwiBrothers – to all core markets, with the launch in China and the US raising the number of markets that use the characters in communication to 19, including our core 15 markets.

The positive reception to the KiwiBrothers as they travel across the world to promote healthier eating with Zespri remains encouraging. They embody the Zespri brand, engaging with consumers in a playfully unexpected manner to build brand love.

The Zespri marketing teams continue to deliver high quality in their creative work⁴. In the 2024/25 season, this included:

- 60% of hero assets scoring above country norms* in branding
- **67%** of hero assets scoring above country norms* in enjoyment
- 67% of hero assets scoring above country norms* in persuasion

*The country norm in quality measurement of communication assets is defined based on the performance of communication assets across all categories, not only branded fruit.

Understanding Consumers and Health Communications



Zespri invests consistently in nutrition research to underpin the natural goodness of kiwifruit and its health benefits to consumers. Its Health Strategy anchors each product variant in a demand space that addresses consumers' health needs namely:

- · Everyday Balance (Zespri Green)
- · Vitality Boost (Zespri SunGold) and
- · Delectable Goodness (Zespri RubyRed).

The diagram below summarises the health benefits Zespri can credibly bring to consumers, backed with scientific evidence and the nutritional composition of each Zespri Kiwifruit. Through distinct propositions and supported by health claims in markets, this positively influences consumers to believe, purchase and consume kiwifruit as part of their healthy daily diet.

Right: The three health communications pillars within the Zespri Health Strategy



5.1.3 Market Development Strategy

To maximise the results and efficiency of investments across the markets, Zespri created the Market Development Framework. The framework segregates its key markets by their stage of development.

The four stages of development are: Explore, Launch, Establish and Enhance. This helps the business to determine the appropriate level of investment based on the market's stage of development.

At the Explore stage, every market is unique and has different requirements but is generally in the early stages of development. The primary focus is on building distribution and penetration (bringing new users into the category). Zespri selects the most promising markets to promote into the Launch stage and these markets become a priority for the business in terms of supply volume, portfolio split and marketing investment. As markets continue to grow and develop, the focus shifts to increasing penetration and usage (Establish) and emphasizing consumer benefits to enable a greater premium and increase consumption frequency (Enhance).

5.1.4 Supply and Demand of Kiwifruit

Zespri's sales and marketing investment works to create demand ahead of forecast supply. Keeping demand ahead of supply enables Zespri to sustain value at all stages of its value chain. Zespri builds strong 'win-win' relationships with its customers to ensure Zespri product is available in market, with great instore visibility for their consumers to buy. In addition, strong and sustained market returns are essential for growers, postharvest operators, and Zespri in order to support and encourage the collective supply investment required.

Kiwifruit is still an underdeveloped category within the fruit bowl, with less than one percent of the global fruit bowl, but with huge growth potential. This means there are opportunities for growth and advantage to be gained through scale. However, with growth and success also comes competitor risk. Below are some other factors that may affect or impact the supply and demand of kiwifruit:

Supply

- · Production of kiwifruit in New Zealand is seasonal, so to maintain market share in an increasingly competitive market Zespri works to ensure 12-month supply by growing fruit in offshore regions such as Italy, Greece, France, Japan and South Korea (Zespri Global Supply or ZGS)
- · Improving and maintaining a premium level of fruit quality
- · Weather and climate events that have the potential to impact on yields and quality
- · Season on season variation which can impact timing of fruit availability
- · Labour constraints
- · Infrastructure and supply chain capacity constraints, including onshore packing and cool storage capacity, as well as loading and shipping capacity
- · Delay in arrival of fruit to market due to supply chain congestion, shortage of vessels, pest issues, or labour shortages, leading to increased fruit loss or decrease in fruit quality to consumers
- · Supply is unable to meet the quality and delivery requirements that markets demand, particularly in taste standards and larger size profile that provide points of differentiation
- · Significant yield improvement resulting in crop increase in excess of market capacity
- · Biosecurity incursions, which could impact on fruit quality and volume as well as New Zealand's reputation and market access

- · Regulatory changes which restrict the industry's ability to grow
- Inability to meet target demand due to capacity constraints in New Zealand and inability to plant more offshore
- Food safety/contamination risks
- Reliance on particular suppliers/distributors, which could impact season delivery and returns if a key supplier/distributor was lost
- · Share alignment is key to aligning grower/shareholder interests
- War and geopolitical tensions can constrain the flow of commodities and impact costs of inputs such as shipping and energy
- · Managing cost increases, including:
 - On-orchard costs
 - Postharvest costs both operation and investment in further infrastructure/ capacity
 - On and offshore supply chain costs, including increasing costs driven by environmental targets.

Demand

- There are varying levels of economic challenges driven by heightened geopolitical uncertainty, exchange rates and inflationary pressures
- The rising cost of living globally is driving consumers to focus on what 'value' means
 to them and potentially buying less or looking at cheaper alternatives, requiring
 Zespri to justify its value by delivering on quality and investing in the health
 attributes of its fruit and brand strength
- Market access is lost to a significant market
- Market access factors such as economic volatility, inflation, price controls, and foreign government action (including trade embargoes and sanctions, tariffs, subsidies, quotas, price controls, and other non-tariff barriers) could impact kiwifruit sales
- Increasing regulations and customer requirements, including but not limited to
 environmental regulations/requirements, have the potential to impact on market
 access if Zespri is unable to not meet them
- Increased competition from competitors trying to leverage the category demand and value space created by Zespri. Competitors' kiwifruit quality and varieties if poor, could turn consumers away from the category, or if the quality of offerings improves, this could reduce the premium pricing Zespri is able to achieve over competitors, particularly on PVR varieties
- New competitive fruit offerings take market share from other fruits, or locally grown kiwifruit being preferred in markets where Zespri sales periods overlap
- Risk of competitors combining to form new consortiums and imitate Zespri's model and taking market share.



Looking Ahead - Opportunities to Increase Demand

Macro population changes - More than half the world's population is now middle class or wealthier. This rise in the middle class is driven by developing markets e.g. China and India, where a rise in demand for premium fruit is noted. More people than ever are living past 60. As they age, their fruit consumption tends to increase, driven by heightened health awareness and dietary needs.

Health and wellness - People are consuming more fruit post the COVID-19 pandemic which led to a marked increase in mental health concerns, a shift towards preventive measures and self-care practices, and a shift from physical health to a better experience of life. There is growing recognition of the importance of nutrition in overall health and disease prevention, emphasising the interconnectedness of dietary habits, and holistic health and wellbeing.

Zespri headroom - Kiwifruit has significant headroom for growth making up less than one percent of the global fruit bowl, but with huge growth potential and rising up the fruit bowl rankings in most of its key markets. Fresh fruit consumption per capita in Zespri's core markets is forecast to grow at a combined annual growth rate of two percent over the next five years, with Zespri Kiwifruit remaining competitive against other fruits and healthy food products. Globally, Zespri has less than 30 percent consumer household penetration.

Zespri's brand offering - Zespri has a strong brand position in the top three fruit brands in 10 out of 15 core markets, continuing to represent a trusted and valued consumer brand through premium quality, great taste and health benefits.

Sales and marketing - Zespri continues to work across the globe and with customers to deliver sales and marketing excellence. It is developing and implementing sales excellence and capability to improve joint business planning, distributor management and in-store execution. On the marketing side, it continues to build and embed capabilities to effectively build the brand and sell more trays in the markets, and to do so consistently and more efficiently as volumes grow.

Zespri Global Supply (ZGS) - ZGS supports New Zealand grower Orchard Gate Return (OGR) by enabling Zespri to demand strong pricing, hold shelf space, build customer loyalty and maximise efficiencies in marketing spend. It is critical to retaining existing customers and consumers and attracting new ones, and to maintaining its position in an increasingly competitive category.

The Kiwifruit Breeding Centre (KBC) - KBC is focused on developing the highest value, most productive and tastiest, most nutritious kiwifruit. This includes new Green, Red and Gold kiwifruit cultivars by integrating science, digital tools, genomics, sustainable growing practices, and commercial expertise.

Innovation - Work includes exploring future production systems that have the potential to significantly improve orchard productivity, supporting the industry's ability to capture more consumer demand.

The Horizon Programme - The Horizon programme is helping sustain the industry's growth trajectory by updating many of Zespri's core systems to protect its ability to get fruit to market and to bring money home.

Climate change readiness - Zespri's Climate Change Adaptation Plan sets out its strategy to help the kiwifruit industry transition to a low-carbon, climate-resilient future. Preparing for the impacts of climate change is how the industry can continue to thrive.

Zespri's hedging policy - Zespri's foreign exchange hedging programme allows it to take advantage of longer-term foreign exchange rates reducing the impact of currency fluctuations on New Zealand grower returns across seasons.

New Zealand Government and regulatory affairs - Zespri works alongside NZKGI to advocate for growers on any New Zealand legislative changes that impact the industry. This includes topics such as labour, infrastructure, decarbonisation, water, proposed legislative change, and foreign affairs.

Sustainable packaging - Customer, consumer and regulatory pressures continue with regards to packaging. While Zespri has a way to go to achieve its targets, in some markets it is making strong progress.

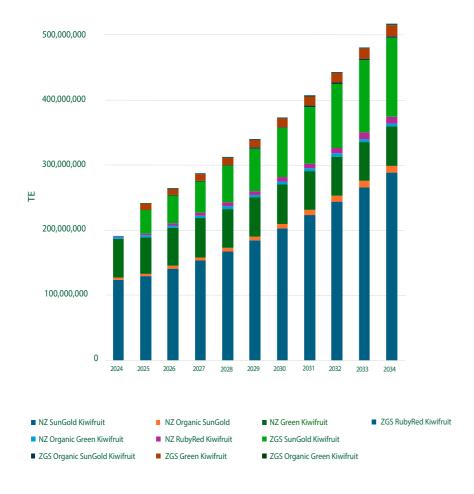
India tariff reduction - Work is underway between the New Zealand and India governments to reduce tariffs on the export of New Zealand kiwifruit into India - the world's largest market by population and fastest-growing large economy.

Zespri's 10-year Overview of Supply and Demand

Zespri develops a 10-year view of supply and demand. The purpose is to set out an optimal view of sustainable growth over the long-term, balancing volume growth with preserving value.

Below is a graph demonstrating the level of volume Zespri believes it may achieve over the next 10 years. The graph shows that growth over the next 10 years will continue to be driven by SunGold. It is important to note that the volume growth is subject to change.

12-MONTH, 10-YEAR TARGET DEMAND VOLUME GROWTH



5.1.5 Innovation

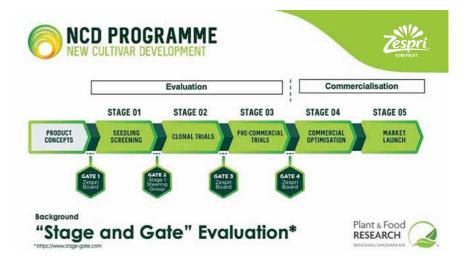
Zespri is committed to creating healthier, better tasting and more sustainable varieties, and extending Zespri's position as the world's most innovative and successful kiwifruit exporter.

Zespri's innovation investment covers five platforms:

- Develop new cultivars with the intention of developing better kiwifruit cultivars faster
- Protect supply to deliver sustainable pest and disease control and fruit safe to eat

- Improve sustainable orchard productivity to produce a premium crop on every orchard
- Optimise sustainable supply chain delivery to deliver the optimal eating experience
- Create knowledge for value add increase users and usage in markets through tailored communications e.g., health and nutrition

Right: Zespri and Plant & Food Research 'Breeding Pipeline'



Following years of extensive research by Zespri and Plant & Food Research (PFR), along with rigorous trials through orchard, supply chain, and market phases, 2022 saw the launch of Zespri RubyRed kiwifruit in China, Singapore and Japan as well as New Zealand. This was the first new variety to be commercialised and exported since SunGold in 2010.

Interest in the RubyRed variety among growers, customers and consumers is strong with its unique colour profile and berry-like taste. Indications are that it is bringing new and younger consumers into the category. RubyRed has been selling at a premium over Zespri SunGold Kiwifruit in all trial markets. The variety has a shorter shelf life than SunGold or Green, so for now Zespri have prioritised their Asian markets given the shorter shipping times. There is ongoing research to improve RubyRed fruit size, quality, and storage.

There have been increased research efforts into the immunity benefits of SunGold Kiwifruit with two projects underway assessing the beneficial impacts SunGold Kiwifruit have on immune endpoints. They are both human clinical studies that will measure how inclusion of two Vitamin C-rich SunGold Kiwifruit to our diet per day impacts our immune system.

Zespri have made significant investment in a pan-industry, government funded Primary Growth Partnership programme called 'A Lighter Touch'. The objective of this programme is to support agroecological crop protection for the New Zealand horticultural sector which will be a step change in pest management, balancing improved productivity with a lighter touch on the environment. This is well aligned with Zespri's sustainability goals for climate resilience and guardianship of the land for future generations.

Further progress has also been made in the Digital Crop Estimation (DCE) programme with Innovation support to add a fruit sizing component to the crop counting model.



5.2 ZESPRI'S ROLE IN THE INDUSTRY -**STANDARDS**

Zespri focusses on being able to supply consistently high quality, great tasting fruit throughout the season, in a safe and sustainable way. The size, appearance, and taste of the fruit is driven by what the consumer wants and then what growers are realistically able to achieve through modifying their orchard management practices, underpinned by research. Size and Taste are the key drivers of value for Growers OGR. Zespri sets the standard for each of the quality requirements described in this section:

- Fruit Size (Section 5.2.1)
- Taste (Section 5.2.2)
- Internal Colour (Section 5.2.3)
- Appearance (Section 5.2.4)
- Traceability (Section 5.2.5)
- · Chemical Residues (Section 5.2.6)

5.2.1 Fruit Size

Fruit sizes range from size 16 to size 49. "Size" of fruit is relative to weight range which translates into how many fruit fit into an (approximate) 3.6kg tray e.g. size 18 means that 18 fruit can fit into a tray. Gold3 fruit that is smaller than size 36 and Green fruit that is smaller than size 42 is considered to be non-standard supply (NSS). Zespri sources limited volumes of NSS fruit with the remainder of small fruit being sold on the local market, processed or used as animal

It is important that fruit size matches consumer demand. Fruit is sized by weight. The size profile of each cultivar

Cultivar Preferred average size Green 30.5 Organic Green 33.2 SunGold 27.6 28.3 Organic SunGold 39.0 Red

is quite different. Gold3 tends to grow quite large while Zespri RubyRed is much smaller. Different markets and different customers have different size preferences. It is important that growers produce a range of sizes to meet this demand. Market demand for very large and very small fruit is limited. The table to the left of the page shows the average size of fruit the market prefers for each cultivar.

Zespri continues to stress that for all varieties, especially Gold3, focus must be on taste over yield. In this variety larger fruit from an orchard usually have higher dry matter which means it tastes better. Growers need to be aware that some fruit sizing tools, such as biostimulants, can increase fruit size but tend to lower dry matter and may in fact be counter-productive in improving taste. Market signals are received by growers by the income they receive for their fruit. Growers will modify their orchard management practices to maximise the amount of fruit they produce of the preferred size profile and taste which in turn increases their fruit payments.

Market size preference for

fruit by cultivar in 2022

Sample progress payment to growers based on trays submitted of different sizes

CLASS 1 - APPROVED PROGRESS PAYMENT 15 FEBRUARY 2021	AVERAGE ON NET SUBMIT	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.37	\$0.45	\$0.45	\$0.45	\$0.30	\$0.30	\$0.20
Zespri Organic Green	\$0.60	\$0.50	\$0.70	\$0.75	\$0.60	\$0.60	\$0.45
Zespri Gold3	\$0.55	\$0.65	\$0.60	\$0.55	\$0.45	\$0.40	No supply
Zespri Organic Gold3	\$0.66	\$0.65	\$0.70	\$0.65	\$0.70	\$0.55	No supply

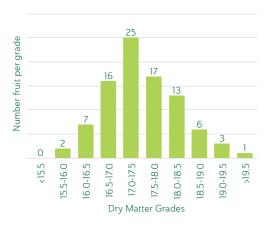
5.2.2 Taste

Taste is primarily driven by the balance of sugars and acids in the fruit. Both are detected by our tongues with sugars providing the 'sweetness' and acids giving the tangy, zesty taste associated with kiwifruit. Volatiles given off by the fruit contribute to the flavour and aroma when they are carried from the mouth onto the sensory receptor in the nose as we chew and swallow food. The volatiles are only present in minute amounts, at parts per million, but have a huge impact on the flavour of kiwifruit.

A significant part of the payment growers receive for their fruit depends on the level of dry matter (DM). This is called the Taste Zespri Programme. This programme was launched in 2001 in an effort to enhance the overall quality of Zespri Kiwifruit, by improving taste consistency. The level of sugar in ripe fruit is determined by the level of starch, or DM in the fruit at harvest. The DM is also a measure of maturity, so Zespri set a minimum level as part of the harvest criteria to ensure fruit will ripen after harvest and reduce the risk of a poor taste experience for consumers. A minimum 90-fruit sample is collected from each orchard before harvest and the percentage dry matter measured (see Chapter 6 for more on this).

Taste Zespri Grade (TZG) was originally based on the premise that Japanese consumers preferred a sweeter tasting kiwifruit and were prepared to pay for it. TZG is a value between 0.0 and 1.0 (or 0.86 for SunGold). TZG is calculated based on a 90-fruit orchard sample for all varieties, and an additional 60 fruit small size targeted sample for Gold3 and Organic Gold3. TZG for Gold3 and Organic Gold3 is calculated and reported by maturity area and fruit size, whereas other varieties are reported on maturity area level only. If multiple samples are completed prior to harvest, the highest TZG calculated from them is used. TZG forms the basis of grower taste payments.

Example: Dry Matter profile of a conventional green (Hayward) orchard for TZG calculation:



- After testing of dry matter, each fruit in the 90-fruit sample is allocated to a dry matter grade (see graph above)
- The number of fruit in a single grade is converted to a percentage of the 90 fruit sample
- Each dry matter grade has a grade value (set by Zespri, differs for each cultivar)
- · For each dry matter grade, the %Fruit is multiplied by the grade value.
- Each of these results are then added to give the TZG. In the table below, the values in the first column add to 68% or a TZG of 0.68.

Taste Zespri Grade (TZG) - Green

%Fruit x Grade Value	Fruit Per Grade (% of the 90-fruit sample)	Fruit Per Grade (from graph above)	Grade Value ¹	Dry Matter Grade
0.0	0.0	0	0	<15.5
0.2	2.2	2	0.1	15.5-16.0
1.9	7.8	7	0.25	16.0-16.5
8.0	17.8	16	0.45	16.5-17.0
18.1	27.8	25	0.65	17.0-17.5
16.1	18.9	17	0.85	17.5-18.0
13.0	14.4	13	0.9	18.0-18.5
6.3	6.7	6	0.95	18.5-19.0
3.2	3.3	3	0.97	19.0-19.5
1.1	1.1	1	1	>19.5
		90		Fruit Count
0.68				TZG

Minimum Taste Standard (MTS)

More recent research has demonstrated that consumers liking for fruit decreases significantly if the taste drops below a certain level. This "Minimum Taste Standard" (MTS) has been determined for each variety by Zespri. Fruit that does not meet the MTS, and is therefore not acceptable for export, is either processed or used as stock food.

Example: In 2021, clearance to harvest a green orchard was granted when 70% of the fruit in the 90-fruit sample had DM \geq 15.5%. The fruit are also allocated into Taste bands when packed to further ensure consistency of taste. There are three Taste bands (Y, T, M), Y representing the highest Taste and M representing the lower or more variable Taste. This ensures that Zespri is able to target high taste fruit to Japan and potentially other markets where there is a strong consumer taste preference for sweeter fruit.

Right: Taste bands and MTS for green (Hayward), 2021

Taste band	Hayward
Υ	≥16.6
Т	≥16.3<16.6
М	≥MTS<16.3
MTS (Minimum Taste Standard)	15.5% dry matter threshold (1)
Percentage of fruit value to taste	60%
Minimum size for standard supply	42 (≥74g)

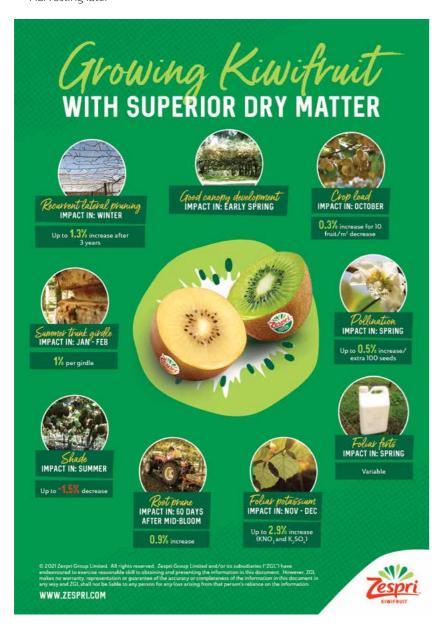
^{(1) 70%} of fruit greater than or equal to the threshold.

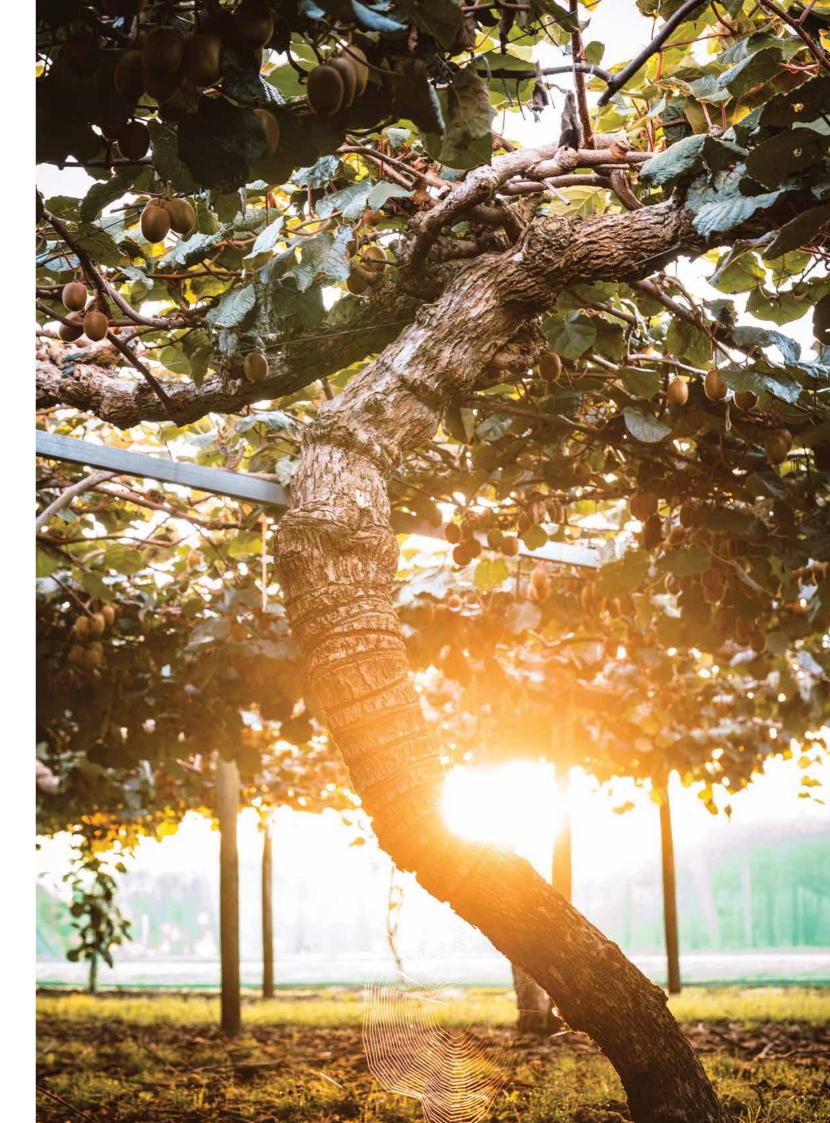
Zespri also determines a Maximum Taste Payment (MTP) which is reflective of higher value that consumers place on a superior taste experience. The higher the TZG the grower achieves, the greater proportion of the MTP they will receive. The grower's TZG is multiplied by the MTP to calculate their taste payment. In the 2021/22 season the MTP for Green was \$4.63 per tray whilst SunGold had a MTP of \$7.89 per tray.

As outlined in chapter 3, there are many practices growers can consider throughout the year to increase their dry matter. Including:

- · Increasing the temperature of the orchard (by artificial shelter)
- · Monitoring crop loads to ensure they are not excessive (thinning)
- Opening up any dark areas of the canopy or areas that may become dark (vine management)
- Summer trunk girdling
- A close root prune on both sides of the vines. This has given, in both scientific and grower trials, a one percent increase in dry matter, on top of a trunk girdle effect
- · Monitoring leaf health
- · Harvesting later

Right: Growing Kiwifruit with Superior Dry Matter (Zespri, OPC)





5.2.3 Internal Colour

Internal colour must be fully developed and typical of the cultivar (Gold and Red cultivars only – Red criteria are still being developed). Flesh colour is measured using a Chromameter. The clearance criteria requires at least 90% of the fruit to meet the minimum colour standard or colour threshold.

Right: Fruit sample cultivar in 2020

Cultivar in a 90 fruit sample	Colour Threshold
Gold3 KiwiStart	≤110.7°
Gold3 Advanced Mainpack	≤108.7°
Gold3 Mainpack	≤106.4°

5.2.4 Appearance

Consumers buy with their eyes so appearance is very important. Zespri sets high standards that must be met for fruit to be sold. Fruit that is regular in shape and free from blemish, stain, physical damage, pitting or dehydration will stand out. Consumers keep coming back for more quality Zespri Kiwifruit because they have to meet such high standards.

The following is an example of a Zespri standard:

Cosmetic blemishes such as marks or scars on the skin of the fruit may be caused by:

- Skin rub
- Healed physical damage
- Healed hail damage
- · Healed insect damage/cosmetic pests
- · Fungal damage
- Skin burn
- Chimera mark

There are allowances for some blemishes in the Zespri Grade Standards Manual as follows:

In all classes blemishes which merge with the colour of the skin are acceptable.

CLASS I - Acceptable blemishes are:

- Superficial
- Light in colour provided they do not affect the general appearance of the fruit
- Total one square centimetre or less in area

CLASS Family Kiwi™ - Acceptable blemishes are:

 Blemishes which contrast with the colour of the skin and total two cm squared or less in area are acceptable.

Unacceptable in all classes are:

- Black marks
- · Significantly deep or raised blemishes
- Cosmetic pests which are less than one mm in diameter but total one cm squared or greater in area.

Consumers buy with their eyes so appearance is very important. Zespri sets high standards that must be met for fruit to be sold

5.2.5 Traceability

Our customers expect Zespri to be able to track the journey of kiwifruit from an orchard to the consumer. This includes what sprays have been applied, when fruit was picked, where and when it was packed, where it has been stored, when it is shipped and where it is stored in market. MPI also expect that fruit in each export consignment can be tracked back to a phytosanitary inspection record during packing. Traceability is maintained at both a consolidated level of a pallet and at the individual pack level and tracked through the supply chain by the use of a European Article Number (EAN) barcode. Each pack has an EAN barcode applied which, when scanned, links to a system where details of the fruits journey can be viewed. This allows Zespri to determine market suitability of any piece of fruit. This is used to prevent fruit being shipped to markets where it doesn't meet their access requirements e.g. a pest has been identified on an orchard so its fruit is banned from a certain country. Electronic capture also allows for rapid response, location and

segregation should it be required at any point. This is particularly critical should a food safety issue ever arise where accurate tracking is vital to minimise the volume of fruit that may need to be recalled and disposed of. Customer food safety programmes all require high levels of traceability: it is fundamental market requirement.

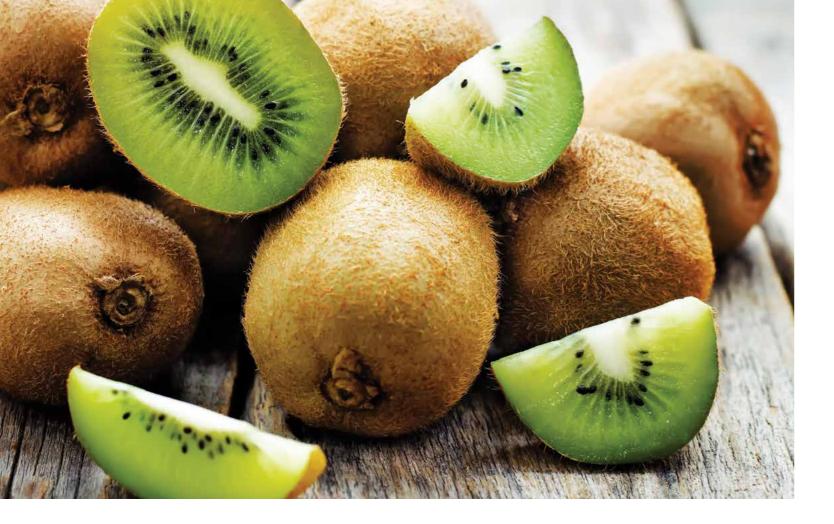
5.2.6 Chemical Residues

Growers need to use agrichemicals to manage pest and disease levels in their crops. However, markets and individual customers set very specific requirements for the level of agrichemical residues they will accept in fruit. The Zespri Crop Protection Standard (CPS) is actively managed to ensure only approved sprays are used and to minimise the presence of any residues. All lines of fruit are residue tested to ensure adherence to the crop protection standard and ensure that individual market access requirements are met. Most Zespri fruit has no detectable residues present at harvest.

Markets and individual customers set very specific requirements for the level of agrichemical residues they will accept in fruit.

Right: Example of product documentation





5.3 ZESPRI'S ROLE IN THE INDUSTRY -**PRACTICES**

5.3.1 Consistency of Supply

Customers require a regular supply of consistent product to be able to provide consumers with a reliable source of high quality and high taste kiwifruit 12 months of the year. Capturing and keeping shelf space full is key to the customer relationship and maximises the value to all parties while reducing the New Zealand grower's risk of a competitor's fruit replacing Zespri fruit on the retail shelf. Market planning and shipping programmes all attempt to keep supply available for as long as possible. During the early part of the season when supply is limited, markets are only started when there is sufficient fruit to allow for continued supply.

Having a product with a long, reliable storage life greatly assists being able to provide consumers with a good eating experience over a long selling season. Sales to customers may continue 6-7 months from harvest and final retail sales can extend for another month after that. For both New Zealand growers and for in-market customers having practically all the volume consolidated through one seller in Zespri provides a mechanism to give a high level of assurance of consistent supply.

Zespri uses fruit sourced in the northern hemisphere to supply customers when New Zealand fruit is no longer available.

5.3.2 In-Market Distribution

Zespri sell into more than 50 different countries worldwide and work with distribution customers and partners, who buy fruit from Zespri and get the product into wholesale markets and onto the supermarket shelves. From the wharf, the fruit goes into dedicated coolstore distribution centres and on to thousands of wholesale and retail outlets. Zespri serve distribution and retail customers with the optimal balance of Green, Gold and Organic products.

Zespri is dedicated to its customers and is focused on consistently providing excellent product and excellent service. The Zespri System, the integrated production and distribution system used to deliver the world's best kiwifruit to consumers worldwide, is one of the foundation blocks of the Zespri brand. It is the culmination of many years of scientific, technical and practical developments and an uncompromised commitment to continual improvement.

The Zespri System recognises that quality has many components, but they all rely on a combination of best practice, excellent product and documented assurance to provide customer confidence. It has been developed in recognition of customers' needs for a comprehensive assurance that fruit has been grown and handled safely with:

- · A strong focus on good agricultural practice
- Environmental and economic sustainability including the efficient use of natural resources

- · Integrated pest management
- · Orchard to retail traceability
- · A socially responsible approach to workers and the communities it supports, practices that maximise fruit quality, taste and storage potential of the fruit
- Leading edge good manufacturing practice throughout the postharvest and distribution sectors of the industry
- · An understanding of current and future market and customer needs
- · World class quality management
- Certified food safety and Good Agricultural Practice (GAP) systems
- Quality specification and measurement throughout the supply chain
- · Comprehensive feedback systems to ensure that customer feedback drives continual improvement

Watch: https://www.

youtube.com/ watch?v=Utlwp6DsfXg



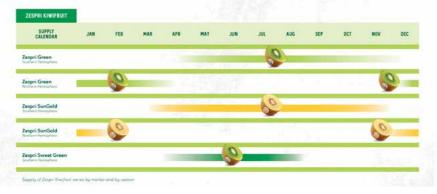
https://www.freshfacts. co.nz/











5.3.3 Integrated Supply System

The development of Zespri's supply chain and service offering is a key focus. Supply chain efficiency is expected to unlock significant value for the industry in future years; many opportunities exist in the supply chain design space with the application of new supply chain management processes and technologies for improving product quality attributes.

The Zespri System is an Integrated System Underpinned by Continuous Improvement



Above The Zespri System Zespri Global Supply (ZGS) business is a source of Zespri's competitive advantage and a key part of Zespri's "category management" work stream. Non-New Zealand supply is poised for strong growth in the five year planning horizon, driven predominately by Gold3 development in Italy, and ability to procure Zespri Green from Italy to meet rising global demand.

The strategic focus of ZGS is to consolidate non-New Zealand supply as a fundamental pillar of Zespri's competitive strength, underpinning its position as a leader in the global fruit industry. Zespri's aim is to unlock value in the business by leveraging the brand, intellectual property and supply chain expertise.

12 Month Supply

12 month supply refers to the procurement and marketing of northern hemisphere kiwifruit (when New Zealand fruit is not available in market) to complement the sale of New Zealand kiwifruit. 12 month supply is an important part of Zespri's business strategy and a key source of Zespri's competitive advantage. Specifically it strengthens Zespri's New Zealand kiwifruit business by continually building the brand and strengthening global relationships.

Zespri has partnered with northern hemisphere growers in Italy, France, Japan and South Korea for nearly two decades to provide its customers with premium Zespri Kiwifruit in the three-tofour months a year where New Zealand kiwifruit is not available.

The Benefits of Zespri Offering 12 Month Supply in a Market are:

- **1.** To partner with our distributors in kiwifruit 12 months of the year and demonstrate consistent quality and standards, irrespective of origin, to support their strategic objectives and add value to their businesses
- 2. To maintain shelf space 12 months of the year - ideally to be the kiwifruit category manager, by offering confirmed volumes and quality for the full year, as opposed to seasonal competitors from other countries who cannot provide such reliability. This allows more flexibility for volumes of New Zealand kiwifruit to be placed in the best position to maximise returns
- **3.** To maintain brand presence 12 months of the year such that when New Zealand kiwifruit comes into markets, it is not fighting for shelf space with earlier seasonal produce or seeking to displace other produce that is available 12 months of the year
- **4.** To grow branded products over 12 months rather than just in the New Zealand supply window. This is critical from a category growth perspective, i.e. apples, tomatoes, and bananas are all available 12 months of the year
- 5. In growing regions, having a local presence enables Zespri to better manage the pressures placed on distributors and retailers to support local product, by supporting the domestic kiwifruit community, which in most cases are not competitive to Zespri's New Zealand supply windows; further this enables Zespri to maintain the quality standards for the category as a whole in that market

In Addition, There are Other Benefits to the New Zealand Grower as well Outside of the Market Benefits, such as:

- 1. Growing in both the Southern and Northern Hemisphere locations allows the New Zealand industry to learn and innovate at twice the pace. This benefit was very evident during the height of Psa where time was against the industry and the learning's needed to be adopted as quickly as possible
- **2.** ZGS is a "stand alone" business unit that is allocated a portion of overhead costs from other business units, thus allowing for better utilisation of corporate overhead spend
- **3.** By having activity across 12 months of the year creates a platform to retain core staff; seasonal roles can create staff turnover and an associated loss of experience within the organisation
- **4.** Developing strong relationships with kiwifruit growers in a range of other

As other kiwifruit brands begin to build momentum and aim for 12 month supply, Zespri needs to maintain a continuous supply strategy and build brand awareness or risk losing future market share to emerging brands. With the plethora of new cultivars grown globally by competitors, it is imperative Zespri retains a strong presence in the market place 12 months of the year to position New Zealand kiwifruit strongly and retain strong customer and distribution relationships. Zespri 12 month supply enhances consumer loyalty and strengthens the position of key distribution partners, when increasingly competitive alternatives are emerging. Therefore, as Zespri Northern Hemisphere supply volumes grow the benefit to New Zealand growers is also increasing.

5.3.4 Variety Licences

Zespri owns the plant variety rights (PVR) for SunGold Kiwifruit, as well as RubyRed. This means growers must purchase a licence to be able to grow Zespri's proprietary varieties and are bound by a Zespri Kiwifruit Variety Licence which gives growers the right to acquire plant material for growing a variety within the licensed area.

Since 2018, Zespri has licensed between 250 and 750 hectares of SunGold in New Zealand each year (including up to 55ha of Organic SunGold License). Growers bid for a licence in an ascending price auction, where all successful bidders pay the same price for a licence. Zespri review the market demand for Sungold annually before making an announcement on licence availability for the following year.

The quantity of SunGold Kiwifruit licence to be released in 2025 will be 400 hectares, 150 hectares of which will be reserved for Hayward or Green14 growers only. There will be no release of Zespri RubyRed Kiwifruit licence. As has been consistent since 2022, there will be no release of Zespri Organic SunGold Kiwifruit licence in 2025, as current supply predictions will satisfy target market demand.





5.4 ORCHARD ACCOUNTING 101

Monitoring of Kiwifruit Orchard Profitability

The monitoring of profitability is an important review of the financial performance of an orchard.

There are numerous orcharding activities that give rise to both income and costs on an orchard and growers give much time and thought into delivering the successful production of their crops.

Monitoring and review of the financial performance of an orchard should be viewed as the financial result of that time. It is this result that demonstrates financial success and the meeting of grower expectation or not.

Please see diagram 1 (Hayward) & diagram 2 (SunGold) for an example of a simple orchard profit and cash-flow report.

There are four key areas that will be covered:

- 1. Seasonal timing of orchard income and costs
- 2. The concept of orchard gate return
- 3. Orchard financial reporting
- 4. Collection of financial data

Seasonal Timing of Orchard Income and Costs

The orcharding cash cycle of setting up an orchard in preparation for harvest and receiving the final income for that same harvest is spread over twenty-four months.

The kiwifruit orcharding year begins with winter pruning around July and continues through to harvest. Harvest is typically conducted during the months of April and May. Throughout this growing period numerous orcharding costs are incurred as the new crop is setup and tended (such as pruning, pollination, fertiliser etc.).

Following harvest and the successful submit of fruit into Zespri inventory; net income is returned to the grower. Final net income is not received by the grower until June of the year following harvest.

The Concept of Orchard Gate Return

Net Income received by a grower is referred to as Orchard Gate Return or OGR.

In simple terms, Zespri receive money (gross income) from export customers. This is then distributed through to Registered Suppliers, and onto growers. The reason Orchard Gate Return is referred to as a Net Income is because the gross income received by Zespri is offset by various costs and incentives including postharvest costs such as packaging and logistics.

These costs and incentives are outlined in the contractual arrangement a grower has with their postharvest partner and in the Supply Agreement signed by Registered Suppliers and Zespri.

A grower's preferred format for illustrating Orchard Gate Return for a full year is as follows:

	2023 Green Harvest (\$ are for example only)	2023 Gold Harvest (\$ are for example only)
Income from Zespri		
Zespri Fruit Return	55,075	111,296
Plus Taste Income	38,028	88,945
Plus Early Start Income	5,841	13,778
Plus Loyalty Income	3,576	4,593
Total Income from Zespri	102,521	218,613
Cost of Postharvest		
Time Incentive Income	15,855	22,964
Less Fruit Loss Costs	-1,907	-4,899
Less Time Costs	-6,080	-6,736
Plus/Less Intercheck	954	919
Net Time Incentive	8,822	12,247
Less Packing & Harvest Costs	-24,676	-48,376
Less Coolstore Costs	-11,325	-14,544
Less Logistics Costs	-1,669	-2,296
Less Other	2,027	1,684
Total Cost of Postharvest	-35,644	-63,532
Total Net Income (Orchard Gate Return)	75,698	167,327

Above

Table showing Orchard Gate Return for a full year

It is noteworthy to mention that Orchard Gate Return is not the complete measurement of orchard performance as it does not take into consideration orcharding costs such as pruning, pollination, fertiliser etc. Therefore, Orchard Gate Return is not the final formulation of orchard profitability.

Orchard Financial Reporting

The preparation of a financial report of the performance of an orchard is a tool a grower will use to measure the profitability of an orchard. It also forms part of the analysis in which to measure the financial viability of that orchard along with a grower's financial expectation and objective.

Table 1 (Hayward) & Table 2 (SunGold) provide examples of a simple orchard net profit and cash-flow report. The format works through:

- Net Income (OGR)
- less Orcharding costs
- Net Profit from Orcharding
- less Capital expenditure
- Net Cash Inflow/Outflow

Net Profit from Orcharding shows the profitability of all income derived from each harvest less all direct costs that are incurred in delivering that same harvest.

Net Cash Inflow/Outflow provides useful analysis of the net cash proceeds received from the orchard by considering capital expenditure such as setting up a new overhead artificial canopy.

It is noted that repairs and maintenance and capital expenditure have been left blank in these tables, as this is a discretionary spend that will vary between orchards. Nevertheless, there would be some repairs and maintenance each year that would need to be budgeted for along with any capital expenditure required.

Typically, such a report would be reviewed on a monthly basis and annually.

These tables include columns for each month that Net Income (OGR) is received. This example is based on 1 canopy hectare. Generally, an orchard would not be exactly one canopy hectare so an additional column would be included to show the income or cost into a Per Canopy Hectare basis.

This Per Canopy Hectare calculation is the most common and important metric used by a grower to benchmark the financial performance of their orchard against industry averages and prior historical information.

As the orcharding year progresses a grower will find it necessary to understand the costs they incur on a 'per hectare basis'. Often piecemeal rates charged by suppliers and contractors are also based on a 'per hectare basis', such as winter pruning and girdling.

Collection of Financial Data

Collating this data into a user-friendly format such as in Table 1 & 2, must be simple and readily available.

There are a variety of means available to a grower to prepare such a report and often it is prepared with support from the grower's Chartered Accountant.

Financial reporting has come a long way in recent years and apart from simple spreadsheets, there are a number of web-based financial software tools available to growers to draw financial information from, such as Xero.

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KPIN: LOCATION: HARVEST YEAR: 2023 VARIETY: HAYWARD Conve

| BUSINESS

HARVEST YEAR: 2023 VARIETY: HAYWARD Conventional				Z	UMBER	S ARE FC	[NUMBERS ARE FOR EXAMPLE ONLY]	PLEON	Σ.			-	Trays: 11,921	121		Diagram 1
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total Per CAN/HA
Net Income																
Net fruit payments (Orchard Gate Return)		3,785	757	950'9	5,299	3,785	10,598	12,869	15,897	2,271	3,028	6,813	757		3,785	75,698
ORCHARD COSTS																
Harvesting costs			7,749													7,749
Orchard Production																
Winter pruning				7,300												9,300
Male pruning									3,000							3,000
Summer pruning								1,000		1,750	2,750					5,500
Thinning										470		4,230				4,700
Girdling									250		250					200
Spraying (materials & application)			650		350	1,000		200		1,000	250	1,250				2,000
Fertiliser (materials & application)					1,000			1,000								2,000
Weed control (materials & application)								004		400						800
Pest monitoring										250						250
Soil tests/leaf samples			625					625								1,250
Pollination								3,500								3,500
Mowing & Mulching	150			150			150			150						009
Shelter trimming					200											200
Global gap/compliance										450						450
Repairs & maintenance																,
Management	750			750			750			750						3,000
Total orchard production	006		1,275	8,200	1,850	1,000	006	7,025	3,250	5,220	3,250	2,480		ı	ı	40,350
Net Profit from Orcharding	006-	3,785	-8,267	-2,144	3,449	2,785	869'6	5,844	12,647	-2,949	-222	1,333	757	0	3,785	27,599
Capital expenditure																
NET CASH INFLOW/(OUTFLOW)	006\$-	\$3,785	-\$8,267	-\$2,144	\$3,449	\$2,785		\$5,844	\$12,647	-\$2,949	-\$222	\$1,333	\$757	80	\$3,785	\$29,599
YTD NET CASH INFLOW/(OUTFLOW)	-\$900	\$2,885	-\$5,382	-\$7,526	-\$4,077	-\$1,292	\$8,406	\$14,249	\$26,896	\$23,947	\$23,725	\$25,057	\$25,814	\$25,814	\$29,599	\$29,599

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NIWITION ONCHARD PROFILABILITY	<u>-</u>											I	CAN/HA	F/VINES	M/VINES
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HARVEST YEAR: 2023 VARIETY: SunGold Conventional				۷	JUMBER	S ARE FC	R EXAM	NUMBERS ARE FOR EXAMPLE ONLY]	Σ.			F	Trays: 15,309		Diagram 2
				1		İ	ĺ	İ	,	İ					,
	Apr-23	May-23 Jun-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24 May-24	7-24 Jun-24	Total Per CAN/HA
Net Income															
Net fruit payments (Orchard Gate Return)		10,040		15,059	31,792	28,446	21,753	23,426	15,059	1,673	8,366	8,366	1,673	1,673	167,327
ORCHARD COSTS															
Harvesting costs			9,951												9,951
Orchard Production															
Winter pruning				10,000											10,000
Male pruning								2,500							3,000
Summer pruning								2,000		3,500	3,500				000'6
Thinning							2,325		7,750		5,425				15,500
Girdling									375		375				750
Spraying (materials & application)			780		420	1,200		009		1,200	300	1,500			6,000
Fertiliser (materials & application)					1,800			1,800							3,600
Weed control (materials & application)								004		400					800
Pest monitoring										250					250
Soil tests/leaf samples			625					625							1,250
Pollination								3,500							3,500
Mowing & Mulching	150			150			150			150					009
Shelter trimming					200										900
Global gap/compliance										450					450

NET CASH INFLOW/(OUTFLOW)
YTD NET CASH INFLOW/(OUTFLOW)

\$99,676

-\$900\$10,040-\$11,356\$4,159\$29,072\$27,246\$18,528\$12,001\$6,934-\$5,027-\$1,234\$6,866\$1,673\$0\$1,673-\$900\$91,40-\$2,216\$1,943\$31,015\$58,261\$76,788\$88,789\$95,724\$90,697\$89,463\$96,330\$98,003\$98,003\$99,676

99,176

-900 10,040 -11,356 4,159 29,072 27,246 18,528 12,001 6,934 -5,027 -1,234 6,866 1,673 0 1,673

1,405 10,900 2,720 1,200 3,225 11,425 8,125 6,700 9,600 1,500

750

750

750

750

Repairs & maintenance

Management

006

Total orchard production

58,200

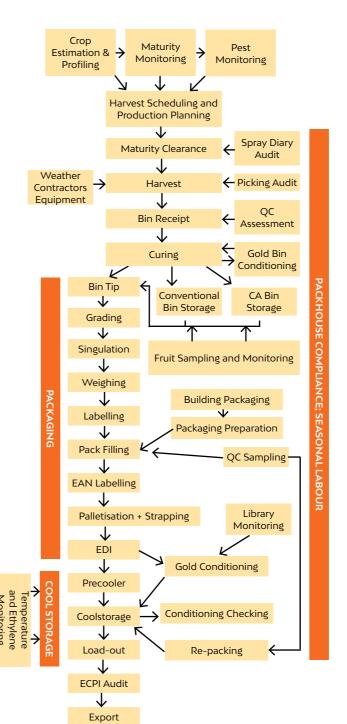
3,000

Capital expenditure

Net Profit from Orcharding

NOTES	





The diagram to the left outlines the key processes and management actions that take place in preparation for and after harvest.

This chapter will now go into each of the actions outlined in the flow chart to the left. This chapter will be split into two broad sections including:

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6.1 HARVEST

To ensure consumers continue to buy Zespri Kiwifruit, it is important that the fruit taste consistently good. Before fruit is harvested, it must be mature enough to ripen when it is off the kiwifruit vine. Depending on the variety (as the criteria can vary for each), the fruit needs to meet:

- · the minimum dry matter (DM) threshold
- the right colour (Gold3 only)
- the minimum Soluble Solid Concentration (SSC) or brix (sugar content of an aqueous solution)
- have sufficient black seeds (Hayward only)

When it is time to harvest, an independent laboratory will test the fruit maturity. and if it meets the standard, Zespri will issue a clearance pass. Dry matter is the most important aspect of fruit maturity for a grower, as a large proportion of their fruit payment is based on the dry matter percentage. Dry matter is largely made up of starch; this starch is converted into fruit sugars during the ripening process. The higher the dry matter, the greater the potential for high soluble solids when the fruit is ready to eat; high levels of soluble solids generally mean tasty fruit.

Additionally, a residue test must be taken to confirm the fruit has been grown to the crop protection standard (CPS). Residue tests involve taking a fruit sample that is sent to the lab for analysis, where approximately 350 compounds are screened for. The test result is only valid for 42 days so if harvest is delayed a second test may be required.

Sampler collecting a maturity sample



Fruit slices after being dried in a dehydrator



Testing for Dry Matter

Dry matter is measured by cutting a 2-3mm slice from the middle of the fruit and drying it in a dehydrator - the proportional difference between the wet weight of the slice and the dry weight of the slice is the dry matter percentage. The dry matter percentages from every fruit in the sample is used to calculate the Taste Zespri Grade (TZG) of the sample. The TZG is then used to determine how much of the maximum taste payment a grower will receive, e.g., if the maximum taste payment for a tray of fruit was \$5.00, a TZG of 0.8 would mean that the grower would receive 80% of the maximum taste payment, or \$4.00 per tray.

Soluble solids concentration (SSC) or brix is measured by a refractometer which uses light refraction to measure different sugar concentrations. Degrees of brix are the units of measure a refractometer uses. SSC and brix are effectively interchangeable terms. Generally, the greater the maturity at harvest the greater the taste and storage potential of the fruit. Brix can also be used when the fruit is eating ripe as a measure of how 'sweet' the fruit is. Fruit is increasingly being tested by retailers at the point of sale as an assessment of fruit quality. The higher the dry matter of fruit at harvest the higher the brix could be when sold at eating firmness at point of sale.



Note: The curves represent averages from multiple seasons and sites.

Note: ISO Week refers to the International Organization for Standardization date and time standard. Using this standard across the value chain reduces confusion between countries who may measure the start and end of a week differently (ISO week is Mon-Sun).

6.1.1 Timing

Each variety reaches maturity at a different time, depending on location and seasonal climate fluctuations. Gold kiwifruit harvest starts in mid to late March and is normally complete by early May. Kerikeri, Poverty Bay, Hawke's Bay and coastal Bay of Plenty are usually harvested ahead of other regions. Research is still ongoing for Red kiwifruit, but it is expected to be mature around early March. Hayward (Green) harvest starts in late March and peaks in May and is usually complete by early June. There are some regional variations with Poverty Bay and coastal Bay of Plenty having the earliest harvest most years. Harvest in the more elevated regions in the Bay of Plenty follow in May and June. Nelson has a relatively short harvest window due to their naturally later maturity and early onset of winter cold. This means harvest is usually limited to the first three weeks of May.

6.1.2 KiwiStart Premium

The fruit picked at the start of the season is termed 'KiwiStart'. This fruit has reached a level of maturity where it will ripen off the vine and be acceptable to consumers but has not reached its optimum size or taste on the vine. Zespri incentivise growers to pick early by compensating them for lost fruit size and taste payments. Zespri want fruit to hit the markets shelves before competitor fruit from Chile and to maximise early sales when there is less overall competition from competitor fruit. Further, Zespri want to sell as much fruit as possible before mainpack in May. A more balanced supply over time also reduces storage costs and fruit loss.

6.1.3 Time Payments

KiwiStart compensates growers for their fruit being sold early; Time Payments compensate growers for their fruit being sold late. Time Payments cover the additional costs of storing and supplying kiwifruit overtime. As kiwifruit is stored longer, it requires additional coolstorage and because the fruit is deteriorating over time, condition checking, repacking, fruit loss, and taste compensation levels all increase. Time payments also incentivise growers to grow fruit with the best possible storage potential. There are a variety of variables that lead to kiwifruit being able to be stored for months. Maximising storage potential requires optimisation of inventory management practice, fruit maturity and high-quality fruit handling.

KiwiStart and Time Payment premiums extend the New Zealand kiwifruit selling season. Markets require consistent supply so that New Zealand kiwifruit is available to their customers for as long as possible.

Right: Emptying fruit into bins for transport to the packhouse



6.2 POSTHARVEST

Packing and cool storage are not regulated by statute and there is active competition between postharvest operators that helps to minimise growers' postharvest costs. There are approximately 40 packing facilities and 55 coolstores used in the kiwifruit industry. These facilities are located in Northland, Auckland, Bay of Plenty, Gisborne, Nelson and the Manawatu. The smallest facilities pack from 200,000 trays (3.55kg/tray) per season whilst the largest pack upwards of 20 million trays per season.

A packhouse operator receives fruit from the kiwifruit orchard in bins. These bins are not always packed immediately but left to sit for the fruit to cure. Curing refers to the delay between harvest and fruit entering the cool store. This can vary between packhouses but best practice is generally between 24hrs and 72hr, in a covered but well ventilated area at ambient temperature or within a controlled coolstore environment. This removes the field heat from the fruit and allows for some drying out of the stem scar and other physiological changes in the fruit that can lead to better long term storage performance and less risk of botrytis rot. The fruit then passes through the packing chain to be packed and stored before shipping or is stored for a time in controlled-atmosphere (CA) storage before packing.

Left: Kiwifruit passing over grading tables in the packhouse

Right: Kiwifruit on the sizer where they are weighted and sent to the packing lane where that size is being packed





6.2.1 Packing

Packing is the key control point where the fruit is segregated into market-acceptable product. Fruit is graded for defects, sized, labelled, and placed into packs suitable for the market (either trays or loose-filled bulk packs). Quality Control (QC) staff take samples of fruit to monitor for pest or defects that may have been missed and to ensure all parts of the packing and coolstore process meet the relevant standards. Product traceability moves from the orchard bin down to the individual pack level. It is at this point that maturity, dry matter, Global Good Agricultural Practice (GAP) requirements and market restrictions and regulations are all consolidated and identified electronically at the pack and pallet level, using European Article Number or EAN barcode labels (see 5.2.5 Traceability for an example).

For more information on GAP, see Chapter 8. For more information about the equipment used in the packhouse see Chapter 7.

6.2.2 Labelling

Markets have wide ranging pack and label requirements. Individual fruit labelling of the Zespri brand is a requirement in all markets in preparation for retail sale. All fruit labels contain either a Price Look-Up (PLU) code for that cultivar and size of kiwifruit, or a bar code for price point differentiation by size at the point of sale. Some markets have additional market specific labelling requirements at the individual pack level. For example, South Korea, Brazil, India, Malaysia, Vietnam and Russia, all require country specific language showing the local contact details of the importer. These labels must exactly meet the importing countries statutory requirements to allow entry.

Right: Individual fruit label with bar code



6.2.3 Packaging

Packaging is a key market messaging tool with branding and graphics carefully controlled. In some cases, customers require specific packaging requirements. Inmarket packing is used to meet customer requirements with fruit transferred from loose filled bulk packs into smaller retail packs or bags. All packaging must protect the fruit through the whole supply chain and be able to be disposed of at the end of its use in market. There are a variety of pack types that customers can order.

Right: Examples of Zespri Kiwifruit repackaged into retail packs for specific markets





6.2.4 Coolstorage

Coolstores, utilising refrigerated air, are used to reduce the temperature of kiwifruit so that it stores for longer. Controlled atmosphere (CA) storage is also used where oxygen, and carbon dioxide concentrations, as well as temperature and humidity, are regulated to enable kiwifruit to store longer. EDI (Electronic Data Interface) is the system by which data is fed from the packhouse to Zespri for the overall inventory management. This data includes information about the fruit packed and stored so that each tray can be assigned to the appropriate market for load out. Further quality checks are completed at the wharf before the fruit is loaded via a ECPI audit (Export Consignment Product Inspections).

6.2.5 Shipping

Zespri uses two modes of shipping to deliver kiwifruit from New Zealand to offshore global markets: chartered refrigerated ships (or reefer ships) and containerised liner services. On average the historical split sits around 40% Reefer vessels: 60% Containerised Liner Services.

Reefer Ships

Zespri "hires" or charters a whole ship, controls where and when the ship will travel and only carries the one cargo type, kiwifruit. These ships carry between 2,500-7,000 pallets. Reefer ships load kiwifruit at various regional ports in New Zealand, close to where fruit is harvested (Nelson and Gisborne) however most of the volume is loaded out from the port at Tauranga. Once fully loaded, the charter vessels travel direct to the key markets of Europe, Japan, China and Korea, a journey of between 2-5 weeks. Reefer ships offer the advantages of quick direct transit times, ability to condition fruit whilst transiting to a destination and allow large volumes of fruit to be delivered to markets.

A Zespri Fruit Monitoring Technician (FMT) travels on board each reefer, from mid-March to mid-June, to carry out the fruit conditioning. This involves ripening the fruit so it is in a 'Ready to Retail' state when it gets to market, with the characteristic textures and flavours. Their role involves assessing fruit development, monitoring fruit flesh and air temperatures, and releasing ethylene gas on request. The fruit development and temperature data they collect on board is sent back to Zespri for assessment, then any required actions are communicated back.

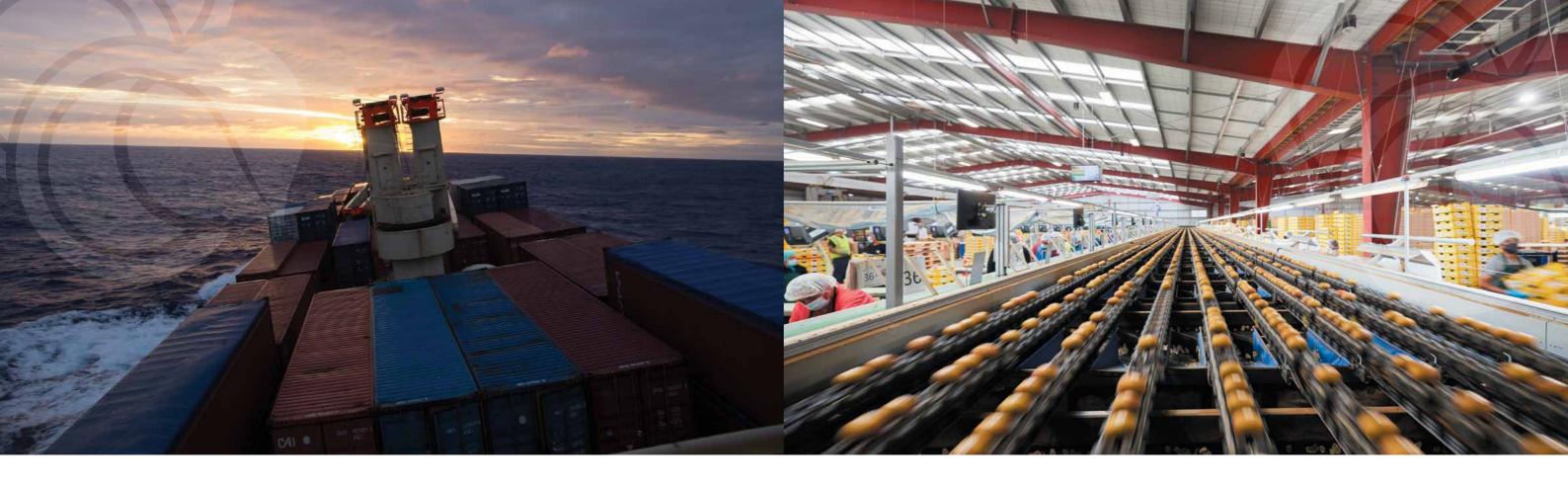
Right: A typical reefer ship











Containerised Liner Services

Container ships are capable of carrying a variety of cargo types belonging to different cargo owners. Cargo is loaded and stowed on the vessel in units called TEU (twentyfoot equivalent unit) or FEU (forty-foot equivalent unit) that can be either dry or refrigerated units. Zespri uses refrigerated FEU units that carry 20 pallets of kiwifruit per FEU. These ships travel a fixed route every week, which may involve stops at many ports prior to reaching the final destination, similar to the experience of taking a ride on a public bus. Zespri uses such services to many destinations including Taiwan, USA, Australia, South-East Asia, Middle East, South America, and South Africa.

Containerised services offer the benefits of a cost-effective freight solution as only the required space is booked and there is the ability to send cargo to many destinations.

In 2024, Zespri shipped over 20,000 FEU for the first time and this number is expected to grow with increasing volumes.

A typical FEU container

Right: A typical container ship







Technology is an incredibly exciting space in horticulture where the industry is working on a number of ideas to improve productivity, address labour constraints and increase output. This chapter will examine the key areas of the supply chain to understand where technology currently is and where it may take us in the future.

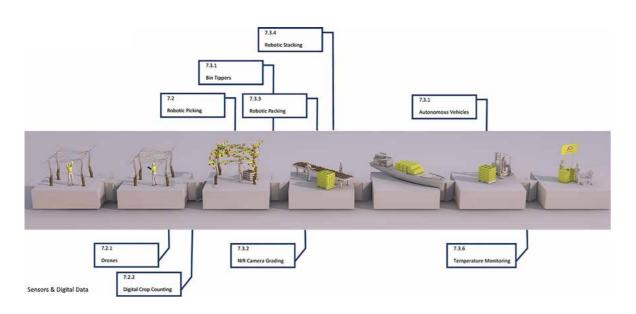
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7.1 TECHNOLOGY

While technology has always been an important part of the horticulture industry, it is becoming increasingly so. Technology can come in several forms: Robotics and automation are usually introduced to drive efficiencies in tasks typically requiring human labour that are either dangerous, dull or dirty. A second form of technology is the increasing use of sensors to measure, monitor or analyse areas of the kiwifruit supply chain where more information, or more accurate information is required. There are several drivers to where technology will take the industry over the coming years, however the key immediate driver is the concern around labour scarcity. New Zealand currently has extremely low unemployment

and if continued, will impact upon the ability to help with industry growth aspirations. The kiwifruit industry will require an additional 7,000 seasonal workers by 2026 in order to harvest and pack the predicted crop volumes based on the current operating systems in place. Ongoing adoption of technology within the industry, while addressing the immediate concerns around labour shortages, will also enable (and require) an entirely new job market. This market will be one of highly skilled/upskilled labour to build, service and maintain automation technologies, and equally skilled individuals to analyse, interpret and act on the sensor data to improve the efficiency of the kiwifruit supply



A snapshot of the kiwifruit supply chain from production to consumer highlighting areas discussed further in this chapter 7

7.2 ON THE ORCHARD

Kiwifruit crops require a high labour input to maintain and grow successfully. Key activities include vine maintenance and harvest. Pruning is vital to ensuring a balance between vegetative growth and fruit production. Harvesting is a labour-intensive task that is particularly time critical.

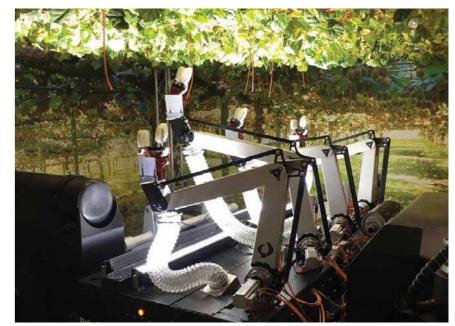
Finding automated answers to these issues is both complex and expensive. Other crops in New Zealand have benefited from the development of technology in much larger growing areas with better access to capital investment overseas (e.g., apples, grapes). However, kiwifruit production worldwide is comparatively small and New Zealand is the world leader. The number of New Zealand based orchard operators of large enough scale to have access to the necessary capital for technology development is also very small.

While mechanical pruning has been developed in other crops, it always comes at a cost of quality. Similarly, robotic harvesting comes in many different forms but there are some unique aspects to growing kiwifruit that make it particularly challenging e.g., fruit that are susceptible to damage. Finding technological answers to allow the production of high volumes of quality fruit, and picking those crops in the appropriate window, with less reliance on seasonal labour, will be an ongoing challenge for the industry.

Right: Robotics Plus prototype kiwifruit pollinating autonomous vehicle



Robotics Plus kiwifruit harvesting autonomous vehicle





7.2.1 Drones, GPS Units and GIS Software

There have been advancements in other areas contributing to crop production on the orchard. UAV (Unmanned Aerial Vehicles or Drones) can be used to monitor crop conditions, the impact of droughts or floods, and to assess requirements for fertilisation and irrigation. By compiling and digitally analysing records from multiple flights and multiple areas of the orchard over time, UAV technology can help the kiwifruit industry to gain new insights regarding climate change, water resource management and rates of soil erosion.

Under New Zealand's laws, commercial UAVs can be utilised as long as they operate in line of sight of the person controlling them and are flown beneath 120 metres. However, the technology is capable of much more than that: UAVs can be flown from anywhere or preprogrammed to follow a flight path and undertake functions using GPS.

Zespri contracts GPS-it, a farm and orchard mapping company who utilise UAV technology, for orchard mapping and audits of orchards growing licensed varieties. All orchards are subject to audit by Zespri when they have grafted or planted their new license allocation, and subsequent random audits are also carried out from time to time.

The three main technologies used are:

- High accuracy GPS units
- Drones (UAV) used to capture aerial imagery
- Geographic Information Systems (GIS) software to process and present the

All three technologies have undergone significant advancement over the past 20 years. The accuracy and reliability of GPS units has improved along with an increased number of available satellites; UAV's have become more commercially popular; and GIS software has become much more accessible and user-friendly. Together they complement each other to produce high accuracy results that are essential for the audit programme, considering the high value of Gold3 orchards and licences. The data produced from this process can be used by Zespri and growers to assist with many important decisions such as PVR enforcement, crop estimation, biosecurity readiness, pest and disease management and more. Growers can also access this data and utilise it to generate precise plans that will help them make important decisions with confidence.

For more information see www.gpsit.co.nz

■ UAV technology can help the kiwifruit industry to gain new insights regarding climate change, water resource management and rates of soil erosion.

7.2.2 Digital Crop Counting Technology

Accurate crop estimates (of volume and size profile) are important for the grower to make crop management decisions; for postharvest for operational planning; and for Zespri to make decisions around logistics and market planning. Until recently, crop estimation has involved a combination of historical crop data and manual monitoring - taking fruit samples from different areas of the orchard and physically measuring and recording size and weight data. Sampling can be expensive, time-consuming, and of limited accuracy due to natural variation across orchards. With the advent of groundbased camera imaging systems, this information can be obtained faster, earlier, and more accurately. These systems need to be ground-based to count what is most important to the industry - flower buds, flowers, and fruit. These parts of the kiwifruit vine are hidden by leaves when viewed from above e.g., from a drone.

Camera units travel beneath the canopy and record digital images of the canopy from below. New software technology analyses these images, identifying individual fruit, estimating the dimensions (length, width, height) of each, taking the distance from the camera into account and using triangulation for accuracy, then utilising an algorithm determined from machine learning/AI modelling to estimate the density and size profile of the crop.

Using this technology, three hectares of orchard can be scanned per hour. Comparisons with pack out reports in the 2022 harvest have shown the density data produced has an average accuracy of 93.7%.

For more information see https://fruitometry.com/



A visualisation from part of a Gold3 orchard showing the total fruit counted. Each square is one management area within which orchard management decisions can be made. In this image, over 650,000 individual fruits have been tracked and

counted

7.3 POSTHARVEST

A large amount of labour is required to grade and pack the fruit into export pallets of product ready to ship around the world. Considerable investment has gone into technological advancements in the postharvest space. These have increased efficiencies and the capacity of operators to deal with increasing crop volumes. There has been a reduction in dependence on unskilled labour, with a number or roles redeployed within packhouse facilities, and a corresponding increase in roles for skilled people to help keep the technology running.

Right: The Sorma bin tipper continuously empties bins autonomously onto the grading line

7.3.1 Bin Tippers

When the bins of fruit arrive from the orchard at the packhouse, they must be emptied into the grading and packing line. The technology that assists with this activity is an automated bin tipper. These can handle the variety of bin sizes and types (wooden or plastic) used in the industry and allow continuous flow of up to 120 bins per hour depending on size. The bins are also sanitised on exit.



7.3.2 Near Infrared and Camera Grading

Once on the grading line, camera grading is increasingly being used. The multiple high-speed cameras capture over 300 high-definition images of each piece of fruit as it travels across the grading line. These images are processed to identify external fruit defects, including blemishes, flat fruit, and sooty mould. Near Infrared (NIR) Technology can be used to assess internal quality of the fruit.

The grading machine then accepts or rejects the fruit and the ones that are accepted are then bumped off the line at the right time to be packed in trays with fruit of the same size and quality. This was all once undertaken by individuals handling every piece of fruit and the use of this technology has reduced the number of manual graders on an average shift from 20 down to 3.

Right: NIR grading machine



How Does NIR Work?

NIR cameras pulse light into fruit and measure changes in wavelengths in rebounded light. From this, the NIR machine can measure the internal qualities of fruit including dry matter, brix, colour, and pressure.

One purpose of NIR technology is to recover fruit which is above dry matter thresholds, from size counts which have failed to meet dry matter requirements. For example, the Minimum Taste Standard (MTS) for Gold3 in 2022 was 70% of fruit sampled met a Dry Matter (DM) level of ≥16.1%. Small count sizes generally have lower dry matter, and it isn't uncommon for smaller size counts (36's and 39's) to fail MTS. Even though fruit has failed to meet the 70% DM threshold, a percentage of fruit in these size counts will be above 16.1%. Some of this fruit can be recovered as class 1 using NIR technology.

The flesh of gold fruit is green until it matures. Gold must meet colour requirements to achieve harvest clearance i.e., change from green to gold. Fruit is tested using a Chromameter. Even when fruit achieves clearance, there will be a percentage which is green, and requires colour conditioning at elevated temperature before it can be accepted into inventory. NIR allows green fruit to be treated separately, making the colour conditioning process more efficient.

Another bonus with NIR technology is that it has the potential to make better decisions on how long the fruit will last e.g., should the fruit be sold quickly, or will it last the distance on a ship to Europe? The technology can optimise storage potential by segregating fruit within 'ideal' ranges. For example, a desirable brix range for long storing Hayward (Green) kiwifruit is 8°-11° at harvest. Fruit outside of the ideal range can be segregated and shipped early, thereby improving the storage potential of fruit within the ideal range.

For more information see www.compacsort.com

7.3.3 Automated Packing

After each piece of fruit is labelled, the fruit is packed by size into bulk packs or layered trays depending on the orders received and the market it is destined for. This is often where a bottleneck occurs in the process if the packing is being done by hand. Various technological solutions are in use, with varying levels of automation, from tray/box prep, addition of plastic liners, through to automatic box and tray fillers.

One of the first automated tray packing machines was The Pacmaster, developed in 2017/18 by Apata Group and MAF NZ, a local subsidiary of MAF RODA Agrobotic (France). As technology has progressed, companies like MAF RODA have applied sensor and robotic componentry to assist with presenting the fruit to the machine in a way where variability is managed. This means that the machine can consistently and accurately pick up the fruit, without dropping them, while also handling each fruit very gently so as to not damage or bruise the product.

Unique components of the Pacmaster include inclined conveyors with smart fruit sensing capability, multi-format heads that adapt to the different tray layout and individual suction cups that can lift the fruit and position them into the tray. The fruit size being packed can change quickly in any pack run, and the Pacmaster is able to quickly alter the number of suction cups used depending on the amount of kiwifruit required in the specific tray. Initial testing on site in the 2019 kiwifruit season showed that the Pacmaster could consistently pack 22 trays of kiwifruit per minute. This is a significant change compared to older tray packing versions at 15 trays per minute or the 3 trays per minute achieved on average by packing staff per outlet on a sizer. Newer technology now allows for a completely automated system from box lining, filling, closing, labelling, and distribution to the palletisers at a rate of 60 boxes per minute.

For more information see www.mafnz.com

Right: The Pacmaster



7.3.4 Palletisation

After grading and being placed into their trays or boxes, the fruit then need to be assembled onto pallets and strapped down (palletisation), ready for shipping, before they can be put into cool storage. The technology may or may not include the use of robotic stackers taking the boxes directly off the packing line and placing them on the wooden pallet, stacking to the required height. Separate palletisers complete the corner board positioning and strapping. This removes the need for human input in this task, saving time, producing a more consistent pallet, and removing the risk of injury from heavy lifting.

Right: Robotic arms placing full boxes of produce onto pallets ready for coolstorage



t:

A Skilled Group autonomous forklift that moves product without human interference

7.3.5 Autonomous Vehicles

Forklifts require labour for operation, and operators need training to become proficient. Improving EV technology has led to the development of electric forklifts that are quieter, less polluting and remove the risk of carbon monoxide poisoning when used indoors. Completely autonomous vehicles are being deployed in great numbers globally in a large variety of production and warehousing environments including the horticulture sector. Millions of bins and pallets are moved across the same paths and into similar locations constantly in the packhouse environment which can also be undertaken via the automated fleet.



7.3.6 Lights-out Coolstore Automation

The first fully automated coolstore for the kiwifruit industry was opened in May 2019 by EastPack. An investment of \$10m, the new coolstore is termed a 'lights-out' coolstore – it has no people inside it and works with a series of robotics and artificial intelligence to check, move and position pallets of fruit into two rooms, each with a tall tower of racking that reaches 14m or 5 levels high. The entire structure is 51m by 41m and 18.2m high. It has the capacity to store 1.2 million trays of fruit and was built in response to the huge growth of fruit volume anticipated in the next five years (see image on next page).







In order to meet the 2029 demand of 222m trays, it is estimated the industry will need nearly 29,000 seasonal employees. Attraction and retention of people will be a key success factor for the industry. This chapter will cover topics such as labour, health and safety and examine industry regulations to show how stakeholders can look after one of the industry's most important resources: Its people.

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8.1 LABOUR AND LOOKING FORWARD

Employment Statistics

A 2024 survey of employers, supported by NZKGI modelling, indicates that the kiwifruit industry needs to employ approximately 25,400 seasonal workers to meet current demand. On current productivity, this number is forecast to increase by 800 workers per annum. To address labour demands and capitalise on growing global demand, the industry is exploring innovative solutions such as packhouse automation and is already being implemented to reduce labour requirements during peak periods. The seasonal kiwifruit workforce is made up of New Zealanders (45.6%), RSE workers from the Pacific (24.8%), Backpackers (24.9%) and other visa holders (4.7%).

Current estimations are that there are around 10,000 people in permanent employment in the kiwifruit industry. This number will also need to increase as the industry expands. Read more in Ch 9 about initiatives to encourage more people into kiwifruit careers.

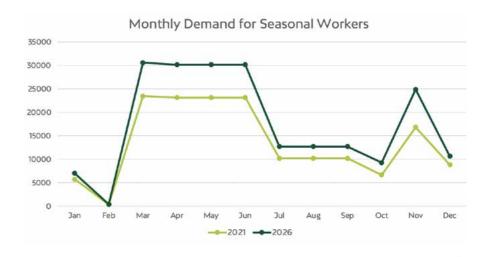
Recognised Seasonal Employer (RSE) Scheme

The Recognised Seasonal Employer (RSE) scheme came into effect in April 2007. The scheme allows the horticulture and viticulture industries

to recruit workers from overseas for seasonal work when there are not enough New Zealand workers. There is an administrative limit or cap on the number of RSE places that can be taken up in any one year. This cap was set at 5,000 places when the scheme was established in 2007, but the success of the RSE scheme has led to increased demand from employers and the cap was increased to 20,750 for the 2024/25

Unless employers can show they have pre-existing relationships with workers from other countries, they may only recruit workers under RSE policy from the following eligible Pacific countries: Fiii. Kiribati. Nauru. Papua New Guinea. Samoa, Solomon Islands, Tonga, Tuvalu Vanuatu, and from 2024 Timor-Leste. Workers must meet health and character requirements and provide evidence of arrangements to leave New Zealand at the end of their stay. People employed under the RSE policy may stay in New Zealand for up to seven months during any 11-month period. Exceptions to this are workers from Tuvalu and Kiribati, who can stay for nine months because of the distance from New Zealand and the cost of travel

To see NZKGI's most up-to-date Labour modelling, predictions and publications goto: https://www.nzkgi.org.nz/what-we-do/labour/



The RSE scheme also contributes to New Zealand's objectives for the Pacific, by encouraging economic development, regional integration and stability. While experts differ on the exact contribution of the RSE scheme to the Pacific Islands, it is known that the benefits are in the tens of millions. The RSE scheme has previously been recognised by the World Bank as being one of the best migrant labour schemes in the world.

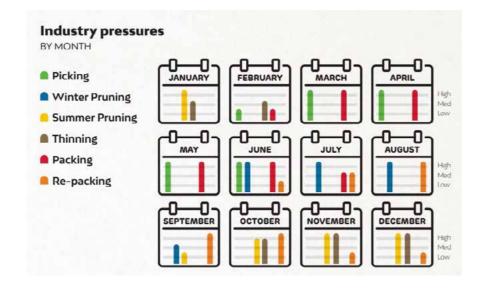
Improving standards

In response to years of labour shortages the kiwifruit industry, like so many other industries in New Zealand, has made proactive changes to employment

terms and conditions to attract seasonal labour:

- · More flexible hours to allow more workers to fit in the other responsibilities they have in their lives
- Increased wages
- · Purpose built accommodation for workers
- Assistance with transport
- · Partnerships with other industries to allow workers to move between seasonal jobs more seamlessly
- · Taken additional steps to protect workers and stamp out exploitation in supply chains
- · Invested heavily in automation to replace low-cost roles with higher skilled, more productive roles.

For more information about the importance of the RSE scheme to the Pacific Island participants see https://www.hortnz.co.nz/compliance/rse-andlabour-updates/ for a series of short videos.



Becoming a Recognised Seasonal Employer (RSE)

New Zealand horticulture and viticulture employers can apply to Immigration NZ to become RSEs and recruit overseas workers only when there are not enough New Zealanders to plant, maintain, harvest and pack their crop. The employers must fulfil certain requirements to be considered as RSEs:

- · Show evidence of being in a sound financial position
- Have human resource policies and practices that are of a high standard, promote the welfare of employees, and include a dispute resolution process
- Have demonstrated a commitment to recruiting and training New Zealanders
- · Show evidence of good workplace practices, including compliance with all immigration and employment laws (e.g., health and safety policies and procedures)

Once granted RSE status, Employers then apply for an Agreement to Recruit (ATR). Additional criteria must then be met:

- · Show evidence of the shortage of labour in their region and the number of positions they need to fill
- · Show how RSE workers pastoral care will be catered for e.g., transport to and from their port of arrival, a work induction program, access to acceptable medical insurance, access to personal banking, necessary language translation, opportunities for recreation and religious observance
- · Provide suitable accommodation at a reasonable price, which does not take away residential accommodation for New Zealanders
- · While employed, RSE workers must be provided with transportation to and from the worksite, all safety equipment and personal protective equipment (PPE), onsite facilities (toilets, handwashing, shelter, first aid, fresh drinking
- Provide sample employment agreements that include paying the market rate for the work carried out by RSE workers, specify hourly rates and piece rates that apply, guarantee minimum payments (e.g. at least \$23.15/hr, for a minimum of 30 hours/week), detail any deductions, comply with NZ **Employment Law**
- Agree to cover the cost of repatriation if workers breach their visa conditions

Once granted an ATR, Employers can then offer jobs to seasonal workers from overseas. They support their workers visa applications by providing written employment agreements that meet all necessary criteria.

An initial RSE status is granted for 2 years, with subsequent applications approved for 3 year durations.

For more detailed information about applying for RSE status see https:// www.immigration.govt.nz/documents/forms-and-guides/inz1140.pdf



Looking forward

The Government's 2024 decision to increase the RSE cap to 20,750 people/year was welcomed by the kiwifruit industry (and horticulture as a whole).

However, there are other ongoing challenges in addressing the shortfall between the availability of workers and the seasonal positions to be filled:

- · Nationally, unemployment rates, while rising, are still low and particularly low in some growing regions.
- Inconsistency and seasonality of the work. Peak labour demand is in short bursts over harvest (Feb-March) and again in November for summer work (see the Industry Pressures diagram).

- · On-orchard work can be highly weather dependent.
- Gold and Red Kiwifruit plantings are increasing, with an extra 10-15 million trays of production coming online each year. Both varieties are more labour-intensive to grow than Green, and there is limited opportunity for automation on-orchard.
- · Accommodation options for seasonal workers in the growing regions are limited.
- Increasing costs for Employers (rates, licensing, compliance, transport, worker pay rates) on top of the general cost of living increases (fuel, power etc.) means there is less capital available for funding innovation projects to address labour shortages.
- Competition for labour from other industries who may be able to offer full-time work rather than seasonal roles.
- · Persistent inaccurate public perception of the work.

These challenges are being approached from a number of directions:

1. Attraction: NZKGI's labour attraction campaign has been in place for a number of years. It involves the use of targeted media (including online and traditional print media, and collateral such as flyers and posters) to promote seasonal jobs to different groups (such as students, retirees, sports clubs). The messaging also includes links to job sites for recruitment. At the end of each year the strategy is reviewed, using the quantitative data available from the social media platforms and worker surveys, and refined for the next year's campaign. Other attraction activities have included government funded training courses to give potential employees some preliminary skills and a taste of the job, so they know what they are signing up to.

For more information on this attraction strategy go to

www.nzkgi.org.nz/wp-content/uploads/2020/09/2020-Labour-Attraction-Strategy-Evaluation.pdf.

- 2. Retention: the 2021 harvest was notable for a perceived increase in absenteeism by some businesses, ranging from 0-50%, with a median around 20%. This included workers signing up but not turning up to work, some not completing whole shifts, or working less shifts per week than they were contracted for. Although widespread across both on-orchard and postharvest operations, this was not an industry-wide issue, suggesting that further research into the motivators driving this behaviour is warranted.
- **3. Government Policy:** early indications are that the welfare system may be a factor contributing to absenteeism. By its nature, seasonal work is fixed term, and attention needs to be focussed on the threshold for benefit levels to be impacted by income changes, for both students and job seekers. Employment Law should also be scrutinised, to provide more flexibility around working while studying or working longer hours during peak times, providing more opportunity for workers to transition from fixed term to permanent contracts. In 2024 MSD were issued new targets by government and a traffic light system has been introduced to help reduce reliance on the welfare system and get people back to work.
- **4. Automation:** provides another potential solution for the labour shortage, allowing replacement of unskilled roles with machines that are more efficient and sustainable. This necessitates a transition to a more highly trained and skilled workforce to maintain the technology.

Read more in Ch 7 about automation across the kiwifruit value chain.

Case Study: Thompson's Horticulture

Thompson's Horticulture Limited (THL) is a family run and operated business that owns and manages vineyards and kiwifruit orchards in the East Coast region. Like other similar companies in the horticulture sector, THL has been heavily reliant on casual labour. However, unreliability of some staff made day-to-day management of the workflow problematic. Absenteeism was frequent and unpredictable. Losing casual staff meant constant retraining when replacement labour was sourced.

Four years ago, THL made the decision to have a people focus in its business, with the aim to become a preferred employer. A key aim was to be able to be flexible for staff and provide the business with surety of labour. It consulted with staff and worked with the Labour Inspectorate to structure new employment contracts. Employees are guaranteed at least one day of 8 hours a week. In return they agree to be at work at least one day each week. A range of employee benefits has helped foster loyalty to the employer.

THL runs a highly successful employment and training programme, partnering with the Ministry of Social Development (MSD) and Eastern Institute of Technology (EIT). Long term unemployed are recruited by MSD to join the programme where they are offered a 5-month fixed term contract with THL, working as Horticulture Workers. Through a combination of on-the-job training and classroom learning, participants can gain the NZ Certificate in Primary Industry Skills (Level 2) through EIT. More than 80 people have been put through the programme since it was launched

The classroom part covers literacy, numeracy, and the theory behind the horticultural tasks they perform while working on the kiwifruit vines. Programme participants are

considered part of THL's core labour force for the duration of their training. At the conclusion of the programme, workers can apply for a Permanent, Fixed Term or Casual position with THL. Feedback received was that the experience of being in the programme had given them confidence to re-join the workforce. Successes included a participant who was encouraged to undertake further training after THL staff noticed her positive attitude and work ethic. She was highly motivated by the experience and is now a THL Supervisor and a valued employee. She had also introduced other members of her family to the company. THL says it has been able to attract trustworthy and reliable workers because of the success and reputation of the programme.

A Horticulture Apprenticeship programme is also run at THL. Employees work towards completing their NZ Certificate in Horticulture (Fruit Production) (Level 3 & 4). This programme offers a pathway to management. Successes include a trainee who began working for THL in the machinery area, went on to become a Trainee Horticulture Manager, and is now the Development Manager who has developed 50ha of kiwifruit in Gisborne.

THL launched an initiative to give permanent staff an opportunity to obtain their driver licence free of charge. The company had become aware that some employees, who travelled to work by car, were unlicensed drivers. One, who was on a restricted licence, had been bringing several others to work in their vehicle. THL uses the services of outside providers in Gisborne and Opotiki to deliver training so employees can obtain their driver licence at no cost. This includes theory, driving lessons and a defensive driving course. THL is focused on investing in its people. It says the ability to obtain a driver licence has helped dispel the frequently held belief that employers do not care about staff.

8.2 HEALTH & SAFETY

The Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 (HSWA) is New Zealand's workplace health and safety law that came into effect on 4 April 2016 and is part of a reform package aimed at reducing the number of serious work-related injuries and deaths. The HSWA shifts the focus from monitoring and recording health and safety incidents to proactively identifying and managing risks so everyone is safe and healthy.

HSWA ensures that everyone has a role to play and makes everyone's responsibilities clear:

- Businesses have the primary responsibility for the health and safety of their workers and any other workers they influence or direct. They are also responsible for the health and safety of people at risk from the work of their business. Officers (company directors, partners, board members, chief executives) must do due diligence to make sure the business understands and is meeting its health and safety responsibilities.
- Workers must take reasonable care for their own health and safety and that their actions don't adversely affect the health and safety of others. They must also follow any reasonable health and safety instruction given to them by the business and cooperate with any reasonable business policy or procedure relating to health and safety in the workplace.

 Other people who come into the workplace, such as visitors or customers, also have some health and safety duties to ensure that their actions don't adversely affect the health and safety of others.

More information can be found in the 'Keep safe, keep growing' guide on the WorkSafe website:

https://www.worksafe. govt.nz/topic-andindustry/horticulture/ keep-safe-keepgrowing-how-to-behealthy-and-safe-in-horticulture/



In collaboration with Zespri, NZKGI has created guidance material to help growers understand their obligations as a PCBU ('person conducting business or undertaking') on the orchard. This fourstep guide sets out the steps growers need to take to manage their health and safety obligations on the orchard and includes a decision tree for growers to confirm their role as a PCBU. The Health & Safety wheel and associated materials are located on the NZKGI website at:

https://www.nzkgi.org. nz/health-safety/



Right: A typical Health & Safety briefing on orchard



8.3 CERTIFICATION FOR GLOBALG.A.P. AND GRASP



Putting Food Safety and Sustainability on the Map

G.A.P. stands for Good Agricultural Practice, and GLOBALG.A.P. is the worldwide standard that assures it. GLOBALG.A.P. is a global organisation with a crucial objective: safe, sustainable agriculture worldwide.

Based on GLOBALG.A.P, Zespri has determined their own production requirements that all growers must follow, also known as Zespri G.A.P. This ensures that the product Zespri sources and supplies meets all regulatory and customer requirements. The requirements underpin the Zespri production system using both a second and third-party inspection/audit certification process. This means growers undergo an annual GAP audit to ensure they are meeting their obligations.

Good management practice is all about quality and sustainable food production. By following the Zespri Production Requirements growers comply with local and global good management practice in the following three key areas:

Food Safety

- Food Act (2014) recognised by MPI as a Template Food Control Plan,
- · Maintaining consumer confidence in food safety,
- · Orchard to retail traceability.

Environment

- Integrated Pest Management (IPM) practices and reducing the use of agrichemicals,
- · Improving the efficiency of natural resource use,
- Minimising the detrimental impact on the environment, whilst conserving nature and wildlife.

Social Responsibility

- GRASP (GLOBALG.A.P. Risk Assessment Social Practice) module as prescribed by customers
- · New Zealand employment law,
- · Ensuring a responsible attitude towards worker health, safety and welfare.

There are two certification options for New Zealand kiwifruit growers:

Option 1 certification - For a single producer (with or without a Quality Management System).

- Growers that need certification for multiple crops must be option 1 $\,$
- Less than 50 kiwifruit Management System Owners (MSO) are option 1 certified
- · MSOs get their own GLOBALG.A.P. certificate

Option 2 certification - Multiple producers with a mandatory Quality Management System (Group certification).

- A group of producers with a shared mandatory Quality Management System (QMS) receives one certification for the entire group following a successful audit of the QMS and random sample inspections of some of the producers by a GLOBALG.A.P. approved certification body
- Option 2 is crop specific meaning Option 2 covers kiwifruit only
- Over 95% of New Zealand's kiwifruit growers are certified through Option 2

GLOBALG.A.P. and GRASP for Kiwifruit Contractors

A contractor is defined as someone who provides any of these activities or services on kiwifruit orchards:

- · spray application
- vine-work, including harvest, pruning and other canopy work
- fertiliser application
- supply labour for any of the above activities and maintain the employment relationship with the employee

Contractors have a vital role within the kiwifruit industry and therefore play a major part in growers' G.A.P. compliance. The grower is required to ensure that everyone working on the orchard is compliant with G.A.P. requirements at all times. To be able to work in the kiwifruit industry, contractors must have a valid Compliance Assessment Verification

(CAV). To gain this certification, the contractor must apply to Zespri, have documents and records that demonstrate their systems are working and fully meet the requirement of G.A.P and GRASP, which are then verified through inspection by an approved independent inspector. Growers must retain a copy of the CAV for any contractors they use. Food safety is also a critical part of some contractor operations. On entering the orchard, contractors and their employees must be healthy and adhere to good hygiene practices whilst handling fruit in order to avoid contamination of the product or the spread of disease. Contractors are responsible for ensuring that orchard hygiene procedures are adhered to, that all staff are appropriately trained, that risk assessments are undertaken, and that training is documented.

GRASP

A Commitment to Workers Health, Safety and Welfare

GRASP stands for GLOBALG.A.P. Risk Assessment on Social Practice and is a voluntary social responsibility module of GLOBALG.A.P. GRASP was developed to assess social practices on the orchard and the module consists of 13 sections which can be added to the annual GLOBALG.A.P. audit. GRASP is an assessment only, not a full social audit.

During the GRASP Assessment, the Following Topics are Checked:

- 1. Right of association and representation
- 2. Worker representation
- 3. Complaints process
- 4. Human rights policies
- 5. Access to labour regulations and information
- 6. Terms of employment and forced labour indicators
- 7. Payments
- 8. Wages
- 9. Working age, child labour and young workers
- 10. Compulsory school age and school access
- 11. Time recording systems
- 12. Working hours and breaks
- 13. Disciplinary procedures

GRASP helps growers establish a good social management system on their orchard. It offers consumers added assurance that they are purchasing a product that has been ethically produced. And it helps protect one of the orchards most important resources: Its people.





A career in horticulture is not just about growing, picking and packing fruit. There are a great number of highly valued scientific, business and technology roles available. People enter the kiwifruit industry through many different pathways – from seasonal workers in the orchards or packhouses, through to graduates with specialised degrees. At every level, there is training available to upskill and build a rewarding career.

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CAREERS IN HORTICULTURE



9.1 HORTICULTURE LEARNING PATHWAYS

A career in horticulture can begin at secondary school. NCEA qualifications in any of the following subjects are a great head start in horticulture:

- Agribusiness
- · Agriculture and Horticultural Sciences
- Technology
- Sciences
- Marketing
- English
- Maths
- Environment studies

Many schools offer vocational-based training through **Gateway** and **Trades Academy** programs for Year 11-13 students. Schools select a program of theory and practical Unit Standards (usually 20 credits/year) that support

For more information about

Agriculture and Horticulture

Agriculture and Horticulture"

in schools see the NZASE

Resource "Teaching

at https://nzase.org.nz/

Many successful people in horticulture have started out working in seasonal roles. Employers are always looking out for the right people to offer permanent positions to. Tops skills for candidates include:



- · Work-ready attitude
- · Good communication skills
- Team players
- Problem solvers
- · Willing to learn
- · Motivated and enthusiastic

students transitioning from school into employment. Students can also undertake work experience to get a taste of what a career in their chosen field (e.g., horticulture) would be like. In schools working with the Primary Industry Training Organisation (PITO), it can be possible for students to gain industry-recognised qualifications such as the NZ Certificate in Primary Industry Skills (Level 2) or the NZ Certificate in Horticulture (Level 1 or 2) while they are at school.

Bay of Plenty students should watch out for "Cultivate Your Career". This free annual one-day event showcases the broad range of opportunities available in the industry through visits to horticultural businesses, hosted by industry professionals (see students at a previous CYC event on the title page for this chapter).

Once in employment, there are many pathways for further career development and upskilling. Larger horticultural businesses provide their own in-house training. Many others offer cadetships and apprenticeships and support their employees to complete further learning as their roles change.

- The PITO administers apprenticeships in the workplace students complete their Level 3 & 4 Unit Standards while they are working and are assessed by their employer or a PITO assessor.
- · Many regional polytechs or institutes of technology offer the Level 3 & 4 certificate courses separately or as an apprenticeship, with students attending class part-time as well as working.

Te Pukenga (New Zealand Institute of Skills and Technology) now encompasses the original 16 regional polytechs and the Industry Training Organisations, so in future will provide classroom, workplace, and online learning options for learners.

Horticulture Learning and Career Pathways

Independent Training Provider
 Te Pūkenga

University

Earn as you Learn

CERTIFICATE LEVEL 1

· NZ Certificates in Horticulture



CERTIFICATE LEVEL 2

- NZ Certificate in Horticulture
- · NZ Certificate in Primary Industry Skills (Horticulture)



CERTIFICATE LEVEL 3

- Introduction to Applied Horticulture
- NZ Certificate in Horticulture
- · NZ Certificate in Land Based Sustainability Practices



CERTIFICATE LEVEL 4

- NZ Certificate in Horticulture Production
- NZ Certificate in Organic Primary Production
- NZ Certificate in Pest Operations
- · NZ Certificate in Sustainable Primary Production



CERTIFICATE LEVEL 5

· NZ Certificate in Science & Technology



- Master of Management in Agribusiness
- Master of Science in Food Innovation
- Master of Horticulture Science)



- · Bachelor of Horticultural Science
- · Bachelor of AgriBusiness & Food Marketing
- Bachelor of Commerce (Horticulture)
- Bachelor of AgriBusiness
- Bachelor of Science (Plant Science)
- Bachelor of Engineering (Mechatronics)

DIPLOMAS

- · NZ Diploma in Horticulture
- · NZ Diploma in Horticulture Production
- · NZ Diploma in AgriBusiness Management
- · NZ Diploma in Environmental Management
- Diploma in Applied Science
- · Diploma in Horticulture
- · Diploma in Horticulture AgriBusiness
- · Diploma in Horticulture Business
- Diploma in Horticultural Management
- · Diploma in Natural Resources
- · Diploma in Organic Agri-Food Production
- Diploma in Horticulture Production
- Diploma in Science & Technology
- Post Graduate Diploma in Horticulture Science
- · Graduate Certificate in Science & Technology
- · Graduate Diploma in Logistics and Supply Chain Management

CAREERS IN HORTICULTURE CAREERS IN HORTICULTURE

Keeping it in the family

Sophie Sullivan, Assistant Manager, Shortridge Estate

Say hello to Sophie! Sophie is a kiwifruit industry native, and has over a year and a half of experience working for Shortridge Estate, where she's already making a name for herself as a dedicated and skilled professional.

Sophie grew up in the kiwifruit industry, and so her passion for the sector began when she was very young, beginning with fond memories of the family orchards. Her family owns an 11-hectare kiwifruit orchard, and Sophie still loves working under the vines alongside her mother. She



enjoys being out in the orchards, getting her hands dirty and learning by doing. This hands-on approach has helped her develop a deep understanding of the industry and the skills necessary to succeed in it.

"I'm a very hands-on learner, so just getting out there, being on the tools, just being shown as much as I can, just learning from other people. That was my main way and I did learn quite a lot through Polytech, but yeah it's a very, very cool industry to work in." she savs.

In her current role as Assistant Manager at Shortridge Estate, Sophie is responsible for helping to oversee the day-to-day operations of the company. She works closely with other members of the team to ensure that the company's goals are being met on a daily basis, which includes supporting the teams reporting to her as well. Like them, she began in a kiwifruit production role, moving from lab work to field work, and then into management. She now does a bit of both, which she quite likes!

When asked about her career progression at Shortridge Estate, Sophie says that she "started out doing a lot of winter bud counts, and then I moved into a supervisor's role. I moved into a lab role then I moved into an administration role, and now I'm back in the orchard to help the family out."

Sophie is always on the lookout for ways to streamline processes and make the operations more efficient, for both her family and for Shortridge Estate. Her willingness to roll up her sleeves and get her hands dirty sets a great example and is helping to build a strong team spirit.

To her, it's only up from here. She sees that the industry is rapidly growing, and she's passionate about the potential it creates for anyone curious about working in the kiwifruit business

"There's just so many different jobs that you can do, like you can come from any part of the world or any other industry and pretty much find a job that will suit you," Sophie says.

With the Bay of Plenty sunshine overhead, and her family by her side, Sophie sees a long and fulfilling future ahead of her at Shortridge Estate. Her strong work ethic, positive attitude and natural leadership skills will carry her far, and she's sure to make a significant contribution to the kiwifruit industry as a whole!

Academic Pathways

Horticulture enterprises are not only looking for horticulture or plant science graduates (although they need them too). These high-value businesses employ business specialists (accountants, managers, marketers, data analysts, human resource managers, lawyers, logistics, supply chain managers, and more); environmental science specialists (e.g., agronomists, biosecurity officers, laboratory technicians, sustainability officers, soil scientists); and increasingly technology and engineering graduates as more automation is adopted. There are many opportunities for international placements and travel within the horticultural exporting companies.

Undertaking course-related work experience, or even a student internship, whilst studying at university can be a great entryway to the horticulture industry. You can discover aspects of the industry that interest you, gain experience, and give those businesses the chance to see if you would be a good fit for their organisation.

The Careers Map on the following two pages demonstrates the wide variety of roles available in the kiwifruit industry, and the multiple pathways people can take to enter, both vocational and academic.

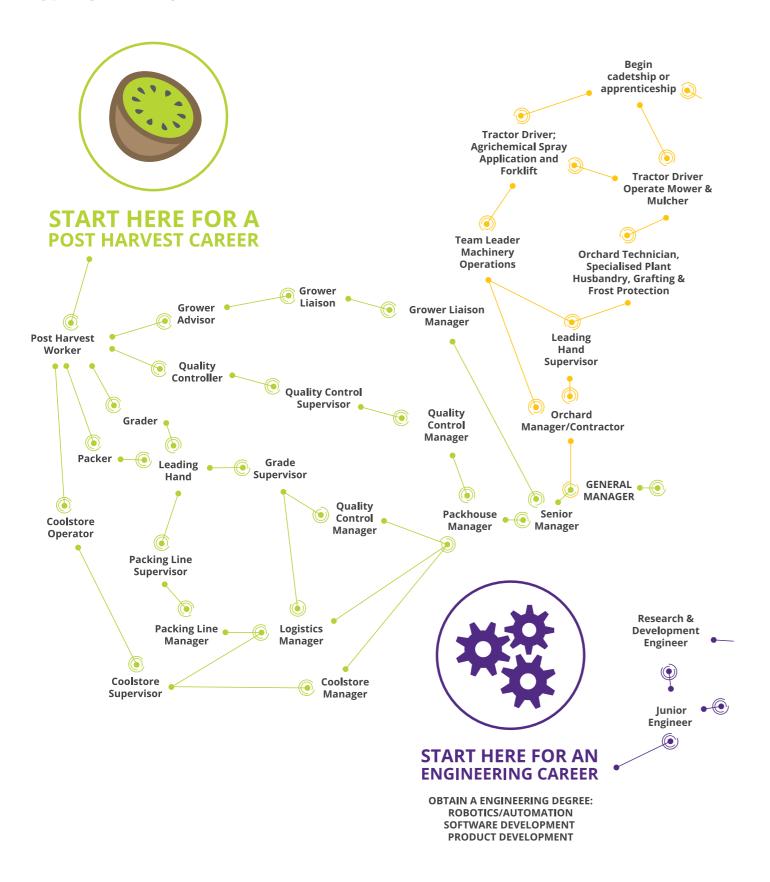
There are many scholarships available to help with the costs of studying. To find out more go to: https://scholarships.hata.nz

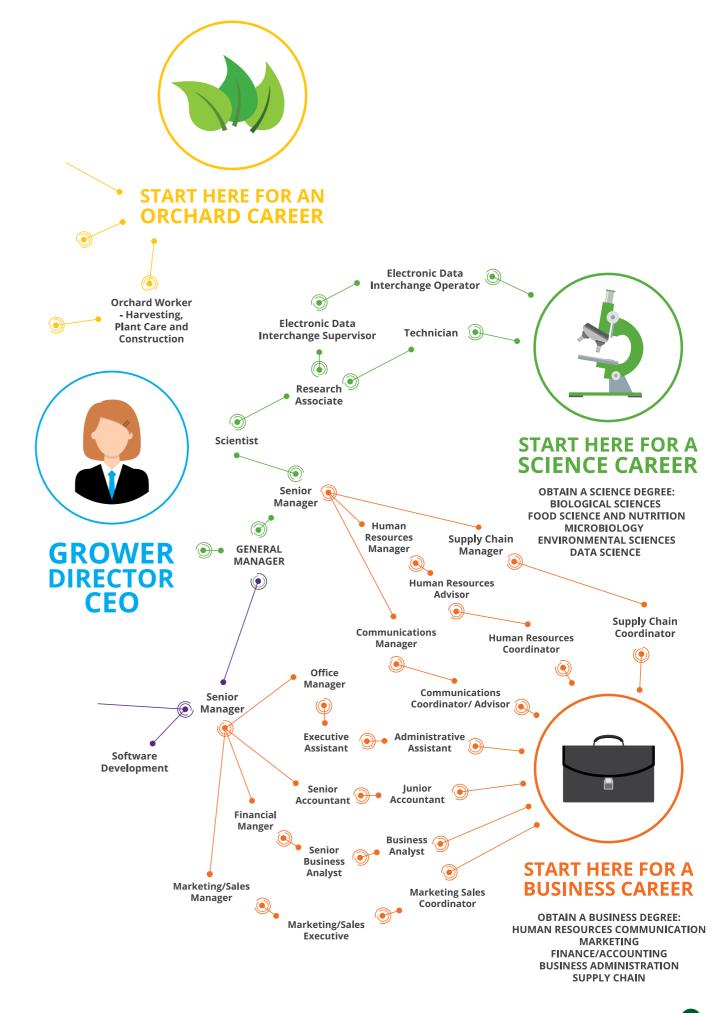


Below: Robotics Plus Kiwifruit Picking machine developed by scientists and engineers working with Waikato and Auckland Universities



9.2 CAREERS MAP





9.3 CAREER PROFILES



ASH DAY

Role/Organisation: **People and Capability Manager, Te Awanui Huka Pak**

Pathway: University Degree

Kia ora, tutaki Ash Day. Meet Ash Day! Ash is a respected professional within the kiwifruit industry in New Zealand. She came to NZKGI from sunny Gisborne on the Tairawhiti coast, and has enjoyed exploring multiple roles during her time with the kiwifruit company.

Her experience ranges from lab work to pack house responsibilities, and she currently works for Te Awanui Huka Pak as a People and Capability Manager. She focuses on the professional growth of individuals all across the company, as well as fostering new talent and exposing them to the kiwifruit industry around the Bay of Plenty.

Ash loves the variety she's experienced so far, and when asked about her journey at Te Awanui Huka Pak, she said, "I've held a few different roles, which just shows the opportunity for growth in this industry, and also the diversity. The roles that I've held are from lab to pack house, and now people and capability development."

As the People and Capability Manager, Ash is responsible for overseeing the development and growth of the company's managing workforce. This includes managing recruitment, training and development, employee relations, and overall human resource management. Her ultimate goal is to ensure that the company has a skilled, motivated and engaged team, capable of meeting the challenges of the ever-changing kiwifruit industry.

One of the key areas that Ash focuses on is employee development. Being deeply involved in the industry herself, she is aware that it's constantly evolving, and that it's essential to have a workforce that is properly equipped with the latest knowledge and skills. To achieve this, she works closely with the management team to identify areas where training and development is needed, and then creates and implements programs that will help employees to acquire the necessary skills and knowledge

No one day is the same at Te Awanui Huka Pak, and Ash prefers that about her role. She says, "A typical day for me... my day changes. It can look like me going to careers and high school expos to promote the industry to rangatahi across the Bay of Plenty. It can look like creating internships and cadetship programmes to take across industry into different organisations, placing talented rangatahi into high level and meaningful positions as well as developing them through a cadetship programme."

Ash's position involves general employee relations as well, and she helps to maintain a positive and productive working environment, where employees feel valued and respected. She works closely with the wider management team to address any issues or concerns that may come up, and to ensure that individuals are satisfied in their jobs.

Te Awanui Huka Pak is a collective of Māori whanau who have a shared investment in Seeka, a prominent kiwifruit company in New Zealand. Part of her personal mission and work is promoting the interests of the industry and to ensure that the company remains at the forefront of developments in the sector.

On the topic of this exciting industry, Ash says, "I think what's surprising about this industry is that kiwifruit is New Zealand's largest horticultural export. This industry is multi billion dollars which is predicted to be 4.5 billion by 2049. The Bay of Plenty produces 80% of the kiwifruit for New Zealand, kiwifruit export. Māori grow 10% of that crop as well."

Her passion for the industry, combined with her deep understanding of Māori culture and values, allows her to approach her work with a holistic perspective. In this way, Ash brings a unique perspective to her role at Te Awanui Huka Pak, where she is quickly becoming a leader in the kiwifruit industry.

Te Awanui Huka Pak Limited (Te Awanui) is a 100% Māori owned company founded in 1984 by a collection of Māori trusts. It currently has total investments in excess of \$20m consisting primarily of commercial property and shares in publicly listed Seeka Ltd.

Te Awanui's vision is to see Māori at the leading edge of the Horticulture industry.



ASHDON REID

Role/Organisation: Orchard Manager, Southern Cross Horticulture

Pathway: University Degree

Introducing Ashdon Reid, a recent graduate of Lincoln University with a Bachelor of Commerce. Ashdon is devoted to all things kiwifruit - he has been with Southern Cross Horticulture for just over a year, and even though he is still fresh out of university, he is already succeeding in his role of Orchard Manager.

Although he jokes that he's the "graduate" at the company, his lifetime of experience in the kiwifruit industry is a major factor in his success, and his rapid growth. Growing up on the orchards and building fond childhood memories has made the industry second nature to him, and he loves working in the field.

"In the kiwifruit industry, I sort of jumped in because my parents have been involved for a long time and I grew up on the orchards, and worked on them during my breaks and holidays and simply fell in love with it," Reid says.

Reid admits that he did try out a few other industries, and laughs as if his return to the orchards was inevitable. "During uni, I tried a lot of other jobs, agricultural contracting, dairy farming, but just kept coming back to kiwifruit. When I saw an opportunity come up with Southern Cross, I decided to take it," he says.

At Southern Cross Horticulture, Reid is responsible for managing multiple orchards at their Edgecumbe site. He not only looks after the blocks and the fruit, he also manages and supports the teams of people working there, and is involved in all aspects of the orchards' operations. In addition to his orchard management duties, Reid helps with administrative tasks, such as developing newsletters and organising information for Southern Cross' audiences and customers.

Considering that the New Zealand kiwifruit industry is a major contributor to the country's economy, with exports valued at over \$4 billion in 2021, Reid has plenty to draw on for his newsletters. The industry employs thousands of people, and is a vital part of the country's rural economy, thus the importance of sharing the message.

Between his communications responsibilities and on-site management role, Reid stays busy, and shares that every day is different in his role. Fortunately, he enjoys the variety of tasks. Some days he's out in the orchard doing the "hard yards," other days he is in the office helping with invoicing and customer communications. During harvest season, Reid proudly shares that, "everyone works together to gather the

There's no doubt that the amount of time spent outdoors plays a significant role in Reid's enthusiasm for the job. He says, "I love the fact that I get to work outside everyday, in the beautiful Bay of Plenty, I love the fact that I'm my own boss, so to speak. I get to manage and run my own time, and look after the orchards the way I

Reid's experience and passion for the kiwifruit industry make him a perfect fit at Southern Cross Horticulture, and he is a shining example of the opportunities available in the field for those with the right skills and attitude.

His thoughts for anyone out there considering the kiwifruit industry is to, "Give it a crack! It doesn't matter where you come in, it's so progressive but it's also very linear. You can move between orchards, working postharvest, and anywhere in between. The experience is so easy and linear and valued throughout the whole chain."





BRENO

Role/Organisation: Trainee Manager, Seeka

Pathway: Direct Employment/Further Industry Study

Meet Breno, a young trainee manager for Seeka! Breno was born in Brazil but moved to New Zealand 6 years ago, and he has a passion for horticulture that stems from his upbringing. His father, an orchard manager, taught him the ins and outs of the industry and encouraged Breno once he decided to pursue a career in horticulture.

From there Breno focused on his goals, and completed his Level 3, 4 and 5 in Horticulture at Toi Ohomai. He obtained a variety of certifications, including a forklift licence, tractor licence, chainsaw licence, and LUV licence, making him uniquely qualified for his current role as a trainee manager at Seeka.

At Seeka, Breno continues to hone his skills and gain valuable experience, helping to oversee the day-to-day operations of the orchard. He works closely with his team to ensure that every aspect of the harvest runs smoothly, from planting and pruning to picking and packing. "I've done winter pruning, male pruning, thinning, picking, pretty much everything," he says.

He understands that there is a lot more to the job than just physical work, as there is a huge science behind it, including the timing of spraying, the effects of weather events, and the intricacies of seasonality. Breno has experienced the full range of horticultural work.

Breno loves the diversity of work in the kiwifruit industry, and feels he's experienced the full range of horticultural work in his field. From harvesting the fruit in February and March to winter pruning and everything in between, Breno is enjoying the variety of work and the challenges that he gets to overcome alongside his team.

"We might do the same thing for a couple of days in a row, but after that it changes and we're doing something else," Breno says. He's also grateful for the diverse team of people he works with, who come from all over the world and share his love for working outside in the sun.

With his commitment, Breno is poised for a successful future in the kiwifruit industry. He's grateful for the opportunity to work with Seeka and eager to continue making a positive impact in the world of kiwifruit. If you're someone who enjoys working outside and wants to be part of a dynamic and growing industry, Breno says to give it a try. You just might love it as much as he does!





MONICA OHOIA

Role/Organisation: Supervisor, Thompsons Horticulture

Pathway: **Direct Employment**

Meet Rotorua native Monica Ohoia, a local legend who's been working with Thompsons Horticulture for the past five years. On the cusp of her sixth year with the company, she's pushing the boundaries, and recently began her Level 3 in Horticulture at the Eastern Institute of Technology in Gisborne.

Although Ohoia was born in Rotorua, she was raised in Gisborne, and that's where her journey in the New Zealand kiwifruit industry began. Those are her stomping grounds, and where she's done an excellent job in a supervisory role for the past three years.

How did she get started? Ohoia reminisces that, "They had an MSD (Ministry of Development) crew running through WINZ (Work and Income New Zealand). So I thought I'd just jump on the MSD crew and give it a go."

One of the things she enjoys most about the industry is the opportunity to meet new people and learn new things on a daily basis. She notes that when she first started with Thompsons, she knew very little about kiwifruit, but that the job has given her the chance to learn about the industry and gain valuable new skills. She also appreciates the networking opportunities, like interacting with RSE (Recognised Seasonal Employee) teams and other professionals in the industry.

"Things I like about my job are meeting new people, people in general, learning new things everyday - well I learn new things everyday - and getting to interact with like RSE teams and other guys that come in from other companies." - Ohoia.

As a supervisor, Ohoia excels in her role and looks to make the most of each day. Her daily doses of Vitamin D are a key element of her happiness in her role, and she prefers to spend the majority of her time outdoors, and engaging with others.

She's a firm believer that horticulture makes a great job for anyone who loves to work outside and have a varied role, especially where there's always room to move up. She says that the day passes quickly when you're on your feet and engaged in new adventures, and she never gets bored of it.

"You do have people that show you what they know about the industry as well which is really, really cool. It's awesome. If you're an outdoors person, yeah, horticulture's the job for you," she says.

As a kiwifruit industry professional, Monica's experience and knowledge are invaluable. Her passion for learning and growing within the industry is evident, and she is a respected and admired member of the Thompsons Horticulture team. She is a great example of what can be achieved with hard work, dedication, and a positive attitude!



9.4 UPSKILLING





Young Grower Competition

There are many opportunities for development and upskilling of people in the kiwifruit industry and the wider horticultural sector. Since 2007, Horticulture New Zealand has run the annual Young Grower of the Year competition. Young fruit and vegetable growers from around the country compete in regional heats, testing their horticultural skills and knowledge in both practical and theory challenges. The winners of the regional competitions then compete in the national final. Young Grower pushes contestants out of their comfort zone and teaches them valuable new skills along the way. The competition provides exceptional professional development and networking opportunities, providing a massive career boost to all who enter. Criteria for entry:

- Must be currently working full time in the fruit or vegetable industry in an
 organisation that is closely associated with growing.
- · Must be 30 years of age or under as at 31 December.
- · Three years practical work experience in the industry.
- Must be a New Zealand citizen or hold a current New Zealand residency permit.



Profile: Opportunities abound for Youth in horticulture

Erin Atkinson was the first woman to win the national Young Grower of the Year, in 2017.

Reflecting on her national title win, Erin says the Young Grower of the Year competition gave her the ability to continue to do the job she loves — horticultural promotion. Since winning, she has become the chair of the Bay of Plenty Young Fruit Grower Upskilling Committee which organises the regional Young Grower competition but also runs educational events.

"We do a 'Cultivate Your Career' event, which is a horticulture careers expo that takes place each September to try and expand the horizon of students of the wide range of opportunities within our industry."

Erin works as the Apata GROW manager for Apata Group Ltd. Apata GROW offers orchard management for kiwifruit growers specialising in providing onorchard and technical services to maximise crop performance. The role offers plenty of opportunities to develop Erin's skills and career.

"We've got an amazing culture here and they've been really great in terms of pathways. We're just going from strength to strength developing those career pathways for people. It's been fantastic. I've had three job titles in the ten years that I've worked here. Each time I'm working up to a different role.

"It's been really helpful for us recruiting because if you can see people that are staying here and have moved through the company then I think it's a good sign that the company is doing well.

"It's the longest job that I've had to be honest - and I'm still not finished. There's heaps of stuff I want to do within the company."

Thinking back on her experience with the Young Grower competition, Erin says it gave her an opportunity to brush up on her existing skillset while developing new ones.

"It really helped me tap back into things I hadn't done for a while. I found it really cool that I got to recap the soil science and nutrient management knowledge. The business aspect was great as well because you got some insight into the business world, things you wouldn't normally cover in your day-to-day jobs.

"It's helped me with my current role in running a division as I have to look at balance sheets, look at profit and loss, budgets and actuals as well."

Erin entered the regional competition twice, before taking out the title the second time around. If a young horticulturalist is considering taking part in the event but isn't quite sure, she urges them to give it a go.

"It's an amazing opportunity to meet like-minded people. It's a great way to learn new skills that you otherwise wouldn't have. The professional development that you get attached to these competitions as well, through to the sponsors and what they have to offer.

"It gave me a really good insight into what a great industry we are part of. This industry is really big on helping young people through it."

Taken from an article by Helena O'Neill. To read the whole article see the March 2022 edition of the Orchardist magazine at https://www.hortnz.co.nz/news-events-and-media/magazines

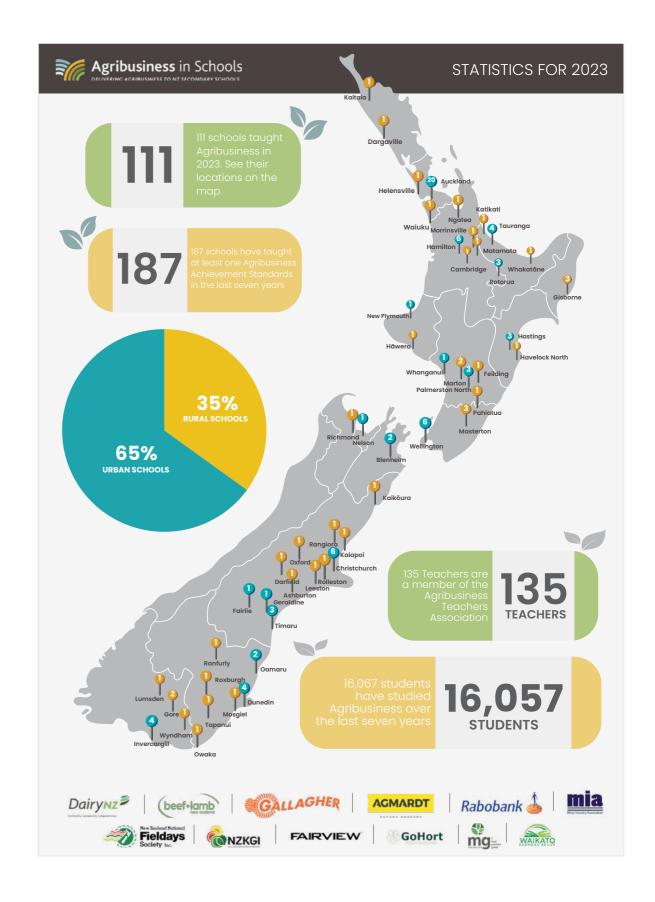
9.5 AGRIBUSINESS IN SCHOOLS

In 2013, St Paul's Collegiate School – Hamilton designed and developed a pilot Agribusiness in Schools programme to encourage their own secondary students to consider career pathways in the primary sector. In the first year it attracted 44 students across Years 12 and 13. From this beginning, the school established an Agribusiness Advisory Group made up of key representatives from across the primary sector and attracted business partners to help fund the work they were undertaking. With input from these groups, the Agribusiness national curriculum was developed, with achievement standards at NCEA Level 2 and 3, supported by the Ministry of Education (MOE). This is the only secondary curriculum developed in conjunction with industry rather than written by the MOE.

The Agribusiness in Schools has been made publicly available to all New Zealand secondary schools, and to date, 187 schools have taken up the subject, with the majority in urban rather than rural areas. Many of these schools have also seen an uptake in Agricultural and Horticultural Science as a subject, with the recognition that the primary sector is a dynamic growth area with many opportunities. There have been corresponding increases in entrants to related university courses. Now in its 11th year, the primary sector is starting to see young graduates from the programme entering the workforce.

For more information about the Agribusiness programme see https://agribusiness.school.nz





STATISTICS FOR 2023





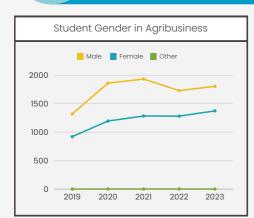


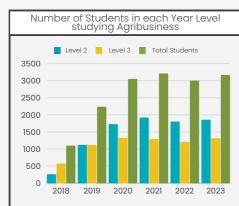
LEVEL 3 **SCHOOLS**

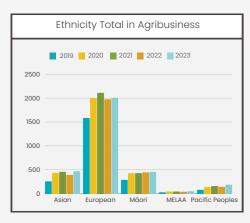


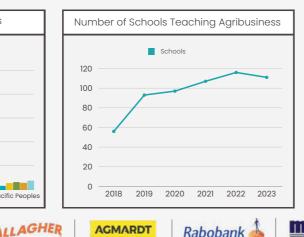
SCHOOLS

357 schools are teaching some form of primary sector education (Agribusiness or Agricultural and Horticultural Science unit standards and/or achievement standards).











Fieldays

















Interview with up-and-coming young Primary Industry leader Sarah Wilson

What inspired you to take Agricultural and Horticultural Science at Bethlehem College in 2020?

Growing up in the township of Te Puke a lot of my parent's friends were already connected to the horticultural industry in some way. My neighbour was an engineer working in a kiwifruit packhouse. My parents don't work in the Primary Industries, however, they did a lot of research for me and they were the ones that suggested I should think about the sector as a possible career path for myself. They created a network of people for me to talk to prior so that I could get a better understanding of what the industry was like. This was when I was deciding which subjects to take in Year 13, that would lead me on to further study at university. There were talks of doing a business degree or going into other science subjects, however I felt that the Agricultural and Horticultural Sciences subject offered at Bethlehem College was a good mixture of everything that I'm passionate about. I had also known a few people who were above me at school and went on to do some awesome things. One was working at Southern Cross Horticulture and another one was at Massey University studying Agribusiness. She had been on trips to Asia and had other amazing opportunities. On top of that, I had been to a career expo, where Zespri, NZKGI and guite a few of other companies in the kiwifruit industry attended. It was all those three things together that made me think, Agricultural and Horticultural Science had some really great opportunities. It wasn't until I was about to take NCEA Level 3 in Year 13 that I became really interested.

The ZESPRI conference in Year 13 that you attended, was it really inspiring for you?

Through our Agricultural and Horticultural Science class, we were invited to attend a Zespri conference and Young Grower of the Year Awards. It was my first ever taste into networking events and was such a great opportunity. I left the conference just buzzing! We had awesome speakers that had come from around the world, and they talked about the future of supermarkets and how we must be innovating ahead of supermarkets overseas. With so much new technology developing around the world, New Zealand must be ahead of the game. We must be even more sustainable, so that we're creating value. That's what Zespri does, and it's not because kiwifruit are expensive to produce, but it's because they've managed to create value throughout the supply chain.

At the end of Year 13, how did you make the ultimate decision to study a Bachelor of International Agribusiness at Massey University, from which you graduate this year?

My original plan was to do a straight Business Studies degree, I didn't want to close any doors and to keep my options open, but the more I thought about it, the more I thought it would be wise to keep an industry tied to the business degree and it was the best decision I ever

Studying Agricultural and Horticultural Science meant that I had an industry tied to it, I had companies tied to it, I had potential scholarships tied to it, so many opportunities to go overseas.

I went to Mexico working for Nestlé last summer and I'm off to Thailand and Malaysia in a few weeks with the Southeast Asia Pacific Excellence Trade Group. I have had so many opportunities that I would never have got, if I didn't have a niche degree. It differentiates you from a lot of other people.

Why do you think there's not enough young people coming into the industry seeing as it has all these massive benefits?

I think it's just a lack of exposure, they don't know enough about what's out there. When people think about the agricultural and horticultural industries, they immediately think of early morning starts and hard physical labour. There are a lot of jobs like that, but not all of them, we need people in marketing, engineering, and technology. There's so many different roles and people just need to know about them.

What do you love about the Primary Industries?

Lots of people are really keen to have young people that are passionate about the Primary Industries, there's such a shortage of skills in our sector. Ultimately, it's the people in the Primary Industries, they're humble and down to earth, good New Zealanders and that's why there's such a tightness in the industry.

What do you want to do when you leave university?

I would love to add real value to the industry. I want to possibly end up in consulting, and use what I've learned to help people. I have enjoyed marketing, but with the bigger companies a lot is done offshore and harder to get into. I am really interested in the trade industry, the bilateral agreements and going to see different cultures and talking up the New Zealand agricultural and horticultural industry. We have such a competitive advantage in New Zealand, however we must keep up our clean green image to keep our edge in the sector.

Taken from an interview by Catherine Bryant for Sow the Seed. To read the whole interview visit

https://hata.nz/mod/page/view.php?id=4048



APPENDIX

Industry Statistics - Performance and Production by Cultivar, Region and Markets

riddstry Statistics Ter			, , , , , ,	,						
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Distribution to growers/suppliers										
Fruit and service payments (excl loyalty premium)	16.45	13.22	13.47	13.72	12.94	11.52	11.53	9.21	9.27	9.57
Loyalty premium	0.29	0.29	0.30	0.39	0.31	0.30	0.27	0.25	0.24	0.24
Total payments per tray	16.74	13.52	13.77	14.11	13.25	11.83	11.80	9.46	9.51	9.81
Crop Volumes (000's)										
Trays submitted (gross)	138,856	175,301	183,973	160,977	150,341	157,715	125,822	148,902	123,763	97,304
Trays supplied	137,076	165,860	179,662	159,649	148,134	154,058	124,433	145,871	120,145	95,683
Trays sold	135,643	158,726	175,033	158,077	145,223	148,843	123,246	137,748	117,094	95,187
Trays sold as a percentage of trays supplied	99.0%	95.7%	97.4%	99.0%	98.0%	96.6%	99.0%	94.4%	97.5%	99.5%
General Statistics										
Production per hectare (trays submitted)	9,469	12,080	13,518	12,072	11,650	12,373	9,913	11,838	10,157	8,662
Producing hectares	14,664	14,512	13,610	13,334	12,905	12,747	12,692	12,578	12,185	11,233
Orchard Gate Return per hectare (average)	110,250	100,345	124,479	123,041	107,142	96,033	79,361	68,868	60,758	57,369
Number of producers	2,837	2,804	2,843	2,813	2,792	2,756	2,405	2,435	2,156	2,540
Average number of trays supplied per producer	48,317	59,151	63,194	56,754	53,057	55,899	51,739	59,906	47,752	37,670
Number of Orchards Reg	istered									
0 – 2 hectares	714	698	713	734	738	717	774	791	807	834
2 – 5 hectares	1,556	1,550	1,527	1,544	1,540	1,575	1,509	1,508	1,499	1,428
5 – 10 hectares	797	774	743	720	693	702	607	589	568	515
Over 10 hectares	301	274	254	214	211	207	165	161	147	128
Total (KPINS)	3,368	3,296	3,237	3,222	3,182	3,201	3,055	3,049	3,021	2,905

	2023/24	2022/23	Variance
Zespri global kiwifruit sales	\$3.988 billion	\$3.916 billion	2%
Export earnings (New Zealand grown)	\$2.703 billion	\$2.608 billion	4%
New Zealand-grown fruit and service payments	2,294.8 million	2,242.0 million	2%
New Zealand-grown Orchard Gate Return (OGR) per hectare	\$110,250 (average)	\$100,345 (average)	10%
- Green	\$65,717	\$57,636	14%
- Organic Green	\$56,086	\$60,912	8%
- SunGold	\$146,987	\$137,524	7%
- Organic SunGold	\$113,449	\$133,548	15%
- Sweet Green	\$49,841	\$41,761	19%
- RubyRed	\$40,741	\$42,063	3%
Zespri global volume (trays sold)	162.9 million	183.5 million	11%
New Zealand-grown	135.6 million	158.7 million	15%
Non-New Zealand-grown	27.2 million	24.8 million	10%

Key figures from Zespri's Annual Results 2022-24

NEW ZEALAND INDUSTRY PERFORMANCE

Regional Production Analysis - NZ Grown Kiwifruit - Trays Supplied to Zespri - FOBS

	202	3/24	2022	2/23	2021/22		2020/21			
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha		
	Zespri Green Kiwifruit									
Northland	54	4,114	69	6,878	79	7,410	81	8,829		
Auckland	210	6,489	226	7,919	237	9,332	243	8,030		
Bay of Plenty										
Katikati	753	5,991	793	9,449	824	11,343	859	8,011		
Ōpōtiki	403	6,677	424	7,245	433	11,363	436	10,735		
Tauranga	859	6,004	912	10,149	987	11,711	996	10,625		
Te Puke	2,725	7,886	2,863	10,359	2,969	12,672	3,079	11,551		
Waihi	83	5,125	90	8,851	101	10,822	106	7,608		
Whakatāne	211	5,535	254	7,479	279	9,153	309	7,434		
Waikato	176	3,525	230	7,450	210	9,327	202	8,297		
East Coast	20	5,626	31	7,671	31	7,035	40	6,054		
Hawke's Bay	25	5,863	34	7,574	39	6,332	41	6,005		
Lower North Island	69	5,718	70	8,321	69	6,482	69	8,623		
South Island	168	6,318	183	7,339	133	6,903	197	6,226		
Total producing hectares	5,757		6,180		6,390		6,659			
Average TE supplied per hectare		6,838		9,480		11,529		10,133		

	202	3/24	2022	2/23	2021	/22	202	0/21
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing hectares	TE Supplied Per ha
		Z	espri Organ	ic Green Kiv	vifruit			
Northland	-	-	-	-	-	-	-	-
Auckland	1	1,361	1	5,714	1	4,569	1	5,118
Bay of Plenty								
Katikati	36	4,863	39	7,206	29	8,862	29	6,427
Ōpōtiki	22	3,519	22	7,137	22	7,337	22	7,400
Tauranga	182	4,618	187	6,453	177	7,331	177	7,333
Te Puke	39	5,335	39	7,956	38	8,926	35	8,276
Waihi	23	4,059	21	6,582	20	6,207	22	3,961
Whakatāne	6	2,021	6	3,665	40	2,463	4	2,742
Waikato	142	4,151	145	6,377	142	5,226	147	4,875
East Coast	_	_	-	-	-	-	-	-
Hawke's Bay	_	-	-	-	-	-	-	-
Lower North Island	7	3,817	7	4,947	6	8,097	2	3,330
South Island	_		-	-	-	-	-	-
Total producing hectares	458		467		438		439	
Average TE supplied per hectare		4,425		6,601		6,805		6,296

	202	3/24	2022	1/23	202	1/22	202	0/21
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing hectares	TE Supplied Per ha
		Z	espri SunGold	Kiwifruit (G	old 3)			
Northland	575	6,913	528	10,602	430	12,461	386	13,251
Auckland	406	11,022	383	12,119	286	13,447	234	14,312
Bay of Plenty								
Katikati	753	10,422	755	13,542	707	16,072	597	13,285
Ōpōtiki	633	11,698	638	10,906	603	15,771	571	13,901
Tauranga	587	10,691	544	14,559	519	15,443	517	14,580
Te Puke	3,234	12,652	2,939	14,230	2,643	15,621	2,402	15,252
Waihi	95	10,262	91	13,483	82	15,412	97	12,256
Whakatāne	631	10,238	549	10,518	425	14,283	341	13,405
Waikato	205	8,415	213	10,754	194	14,204	185	12,773
East Coast	518	9,165	430	11,476	346	13,532	311	10,727
Hawke's Bay	85	10,081	171	12,710	167	12,522	165	11,034
Lower North Island	2	9,733	2	13,209	1	10,010	1	10,096
South Island	243	14,547	245	15,269	119	11,335	241	15,189
Total producing hectares	7,968		7,486		6,552		6,047	
Average TE supplied per hectare		11,198		12,998		14,964		14,130

	2023	3/24	202	2/23	202	1/22	2020)/21	
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing hectares	TE Supplied Per ha	
	Zespri Organic SunGold Kiwifruit (Gold 3)								
Northland	27	2,688	31	8,684	24	9,745	9	7,579	
Auckland	3	1,724	3	7,701	4	4,877	4	8,687	
Bay of Plenty									
Katikati	18	5,884	15	9,127	10	12,156	2	7,868	
Ōpōtiki	15	5,893	14	8,616	11	12,335	11	7,939	
Tauranga	45	6,539	52	10,346	41	12,613	30	10,618	
Te Puke	122	9,311	113	11,281	102	11,643	52	12,350	
Waihi	6	4,629	6	10,489	6	9,545	13	9,307	
Whakatāne	14	9,182	11	13,143	-	-	-	-	
Waikato	22	6,882	22	10,614	19	9,256	18	8,263	
East Coast	28	10,103	19	10,749	4	11,702	3	-	
Hawke's Bay	-	-	-	-	-	-	-	-	
Lower North Island	-	-	-	-	-	-	2	4,871	
South Island	-	-	-	-	-	-	-	-	
Total producing hectares	299		285		222		142		
Average TE supplied per hectare		7,661		10,518		11,299		10,253	

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	2023/24		2022/23		2021/22		2020/21	
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing hectares	TE Supplied Per ha
		Zespi	ri Sweet Gre	en Kiwifruit	(Green14)			
Northland	-	-	-	-	-	-	-	-
Auckland	8	4,454	8	5,324	9	4,957	12	3,088
Bay of Plenty								
Katikati	5	2,735	6	4,328	6	5,153	8	4,307
Ōpōtiki	3	4,732	5	4,026	5	8,653	5	5,687
Tauranga	1	7,409	1	5,406	1	9,330	1	5,771
Te Puke	5	7,285	7	8,472	8	10,775	9	8,719
Waihi	-	-	-	-	-	-	-	-
Whakatāne	2	2,352	2	4,352	2	6,670	5	5,844
Waikato	-	-	-	-	-	-	-	-
East Coast	_	-	-	-	-	-	-	-
Hawke's Bay	_	_	7	7,838	7	5,605	7	7,831
Lower North Island	_	_	-	-	-	-	1	2,471
South Island	-	-	-	-	-	-	-	-
Total producing hectares	23		34		37		48	-
Average TE supplied per hectare		4,666		6,025		6,969		5,608

Production area and trays supplied of kiwifruit varieties by region over the past four seasons.

	202	3/24	2022	2/23	202	1/22	202	0/21
Tray Equivalents (TEs) supplied to Zespri (FOBS)	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing Hectares	TE Supplied per ha	Producing hectares	TE Supplied Per ha
			Zespri Rub	yRed Kiwif	ruit			
Northland	19	1,404	2	2,342	-	-	-	-
Auckland	26	2,001	11	1,674	-	-	-	-
Bay of Plenty								
Katikati	15	3,220	4	3,142	-	-	-	-
Ōpōtiki	8	2,691	8	1,599	-	-	-	-
Tauranga	7	1,792	4	2,838	-	-	-	-
Te Puke	40	2,795	15	2,271	-	-	-	-
Waihi	2	377	1	1,857	-	-	-	-
Whakatāne	15	898	2	1,779	-	-	-	-
Waikato	11	2,672	9	959	-	-	-	-
East Coast	14	1,574	5	1,331	-	-	-	-
Hawke's Bay	1	966	-	-	-	-	-	-
Lower North Island	1	3,008	-	-	-	-	-	-
South Island	-	-	-	-	-	-	-	-
Total producing hectares	159		59		-		-	-
Average TE supplied per hectare		2,158		1,882	-	-	-	-

Production area and trays supplied of kiwifruit varieties by region over the past four seasons.



Zespri Variety names:

Business Name	Abbreviation	EDI variety code Zespri brand name		PVR denomination (legal name)
Hayward	HW	HW	Green	Hayward
Gold 3	G3	GA	SunGold	ZESY002
Hort16A	16A	GK	Zespri Gold	HORT16A
Red 19	R19	RS	Ruby Red	ZES008
Green 14	G14	HE	Sweet Green	ZESH004

Terms and Definitions

	2.6 11
Term	Definition
5-Year Outlook	Annual document outlining Zespri's strategies for each category for the next 5 years and beyond.
12-month supply	Sourcing kiwifruit globally, for supply to Zespri customers and consumers year-round.
Allophanic Soil	Crumbly, free draining soil of volcanic origin, with limited natural fertility.
Apical dominance	The growing shoot tip inhibits the growth of lateral or axillary buds.
Bio-stimulants	Include diverse formulations of compounds, substances and micro-organisms that are applied to plants or soils to improve crop vigour, yields, quality and tolerance to stresses.
Black seeds	The proportion of mature black seeds in a fruit. It is used as a measure of maturity.
Botrytis	A pathogenic fungus that causes grey mould and storage diseases in kiwifruit.
Brix	Percentage of sugar by weight (grams per 100mL water) in juice of kiwifruit.
CA	Controlled Atmosphere – regulating the O_2 and CO_2 levels, as well as temperature and humidity of sealed storage facilities; slows down ripening (effectively putting fruit into hibernation) and maintains firmness of stored fruit.
Checkpoint	Process/check undertaken at wharf - fruit is electronically scanned as it is loaded onto the vessel.
Chlorosis	Condition in which leaves produce insufficient chlorophyll so may be pale, yellow or yellow-white. Often a symptom of a problem like deficient or toxic nutrient levels.
Collaborative Marketer	KNZ approved kiwifruit exporter from New Zealand (other than Zespri).
CPS	Crop Protection Standard - Set of rules for agrichemical use, determined by Zespri, which ensures fruit meets legal requirements of export markets as well as customer and consumer requirements for food safety and sustainability.
Cultivar	New variety produced by selective breeding.
Dioecious	Having separate male and female plants.
DM	Dry Matter - calculated as the ratio of dry to fresh weight. DM = Dry weight ÷ fresh weight. Dry weight constituents include carbohydrates, proteins, acids and minerals.

EDI	Electronic Data Interface – supply chain information transferred from Postharvest operators to Zespri.
Exudates	Fluid leaking from Psa infected vines from cankers or wounds; may be red/orange or white, may appear as dried stains rather than fresh.
FOBS	Free On Board Ship – a trade term, Zespri takes ownership of the fruit when it is loaded on a vessel.
Fruit and Service Payments	Payments made by Zespri for supply of fruit. Fruit payments (submit and progress payments) and service payments are in place to incentivise the supply of kiwifruit with desired characteristics to gain the best sales return.
Global GAP	Global Produce Working Group code for Good Agricultural Practice - set of criteria under which fruit is produced, audited annually. Growers must have Global GAP certification for Zespri to accept their fruit into inventory.
Gold3	Gold cultivar commercialised by Zespri in 2010, otherwise known as SunGold. Replaced ZespriGold (Hort16A) that was susceptible to Psa. Has PVR protection; growers must purchase licence to be able to grow it.
Gold9	Gold cultivar commercialised by Zespri in 2010, otherwise known as ZespriCharm. It was decommercialised due to faults in its storage ability and physical appearance.
Green14	Green cultivar commercialised by Zespri in 2010, otherwise known as SweetGreen. Sweeter fruit than the traditional green Hayward. Has PVR protection; growers must purchase licence to be able to grow it.
Hayward	Green cultivar, predominant variety since the 1960s. No PVR protection so no licence is required to grow this variety.
Hort16A	Gold cultivar commercialised by Zespri in 2000, otherwise known as ZespriGold. Hort16A was highly susceptible to Psa and was replaced by Gold3.
IAC	Industry Advisory Council - made up of representatives of Zespri, Growers and Supply Entities; manage issues relating to the supply contract - the treatment of and payment of fruit and matters with material financial implications for growers.
ISG	Industry Supply Group - made up of representatives Zespri, Growers and Supply Entities; manage decisions relating to the supply chain process - quality assurance and rules around labelling, packaging and the export of kiwifruit.
IT	International Tray - single layer packaging tray for fruit (size 18-36), 3.6kg.
KISP	Kiwifruit Industry Strategy Project - long term plan developed by industry representatives to achieve market, strategic and financial goals for the benefit of NZ Growers.
KiwiStart	Period early in Harvest (ISO weeks 11/12 to 18/19, although dates vary with variety and can change depending on maturity) for which a premium is paid for fruit submitted, as an incentive to ensure supply of kiwifruit early in the season.
Kiwigreen	Zespri's Integrated Pest Management programme for pest and disease control, uses environmentally responsible production methods to ensure minimal/nil chemical residues.
KNZ	Kiwifruit New Zealand - industry regulator who give Zespri the mandate to be the vehicle for the SPE. Also allows other exporters to trade NZ grown kiwifruit outside of Australasia via collaborative marketing agreements.
KPIN	Kiwifruit Property Identification Number - a unique ID that every orchard must have. Allows traceability of fruit.
KVH	Kiwifruit Vine Health – independent industry body responsible for biosecurity.
M2	Modular Double - packaging tray with 2 layers of fruit (Green and Gold).

МВ	Modular Bulk - loose fill packaging for fruit, 10kg net fruit weight (Green).
ML	Modular Loose - loose fill packaging for fruit, 6.8kg net fruit weight (Gold).
MRL	Maximum Residue Level – every agricultural compound used in food production has a maximum residue level set. Each country determines its own MRLs.
МТР	Maximum Taste Payment - Determined by Zespri each year for each variety (amount per tray). Growers receive a taste payment - a portion of the MTP per tray depending on their TZG and size profile.
MTS	Minimum Taste Standard - Zespri initiative used to optimise taste, sets minimum DM levels for crops to be exported.
NSS	Non-Standard Supply – fruit that does not meet Zespri's Class 1 standard i.e., small or below MTS. Sold on local market, processed or used for stock food.
OGR	Orchard Gate Return - Net Income a grower receives (Income from Zespri less Cost of Postharvest).
Osmoregulation	Process of maintaining internal balance between water and dissolved materials (electrolytes) regardless of environmental conditions.
Phenology	Study of the timing of biological events in the lifecycle of plants and animals such as bud break, flowering, maturity, dormancy.
Phloem	Transport tissue in vascular plants; conducts sugars and other metabolic products downwards from the leaves.
Phytosanitary	Verification (in terms of inspection or provision of a certificate) that plants or plant products are free from quarantine pests or diseases.
Phytotoxicity	Toxic effect by a compound on plant growth; range from delayed growth, misshapen leaves or fruit, discoloured or dead spots on leaves, to death of the plant.
PLU	Price Look Up – identification number affixed to produce (by fruit sticker) to make check-out and inventory control easier.
Psa	Pseudomonas syringae pv. actinidiae - bacterial disease that affects kiwifruit vines.
Psa-V	Indicates the virulent strain of the bacteria that exists in New Zealand.
Postharvest	Packhouse and cool-store operations.
Sclerotinia	A pathogenic fungus that causes fruit loss from diseased fruitlets, fruit scarring and field rot in kiwifruit.
Size profile	Fruit range in size from size 16 to size 46. Size is relative to weight, so fruit sizes correspond to the number of fruit that can fit into a 3.6kg tray (IT). Size profile is the number of trays of each size grade in a crop.
SPE	Single Point of Entry – use of one exporter rather than multiple exporters e.g., Zespri holds the SPE for the NZ Kiwifruit industry.
TE	Tray Equivalent - unit of volume measurement based on a single layer tray (IT).
TZG	Taste Zespri Grade - Figure calculated from the dry matter of fruit at each size profile in the crop. Used for calculating the taste payment a grower receives.
Xylem	Transport tissue in vascular plants; conducts water from the roots to the shoots and leaves.
Zespri	Zespri International Ltd (ZIL) – Limited liability company owned by current and past kiwifruit growers; the world's largest marketer of Kiwifruit.
ZGL	Zespri Group Limited - Parent company of which ZIL is the operating subsidiary.
ZGS	Zespri Global Supply – program under which Zespri grows fruit in Italy, France, Japan, South Korea and Australia to ensure 12-month supply to retailers.

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