

# Kiwifruit Industry Performance Report 2025



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To help readers quickly ascertain areas of concern, a traffic light can be found throughout this publication. A summary of topics and their respective colours are listed in the content above.

- Meets expectations
- Improvement needed
- Area of concern



# Chair's report

Our industry is forged on the backs of kiwifruit pioneers who have produced not only the worlds best kiwifruit but also the worlds best kiwifruit industry. The reason our industry is in a strong position today is not just due to our innovative mindset, nor our business acumen, but our ability to work together collectively for our common long term good. It is because we always strive to be better, to become more successful, that we measure our performance as an industry. In this light, it is an honour to present to you the first edition of this *Kiwifruit Industry Performance Report* – a core part of NZKGI's role for growers.

This report has been published in a complex and unsettled environment. We entered the 2025 year against a backdrop of heightened global geopolitical and trade tensions with flow-on effects for supply chains and trade for our kiwifruit crops. The impact on international trade agreements and relations with key trading partners will be closely watched. However, the global fruit category has strong fundamentals, with Zespri branded kiwifruit well positioned to benefit from opportunities presented in these uncertain times. The current state of global consumer confidence appears cautiously optimistic and this positive trend is reflected in growing global fruit consumption. Considering kiwifruit makes up less than 1% of the global fruit market, there's significant room for future growth.

Within this environment, NZKGI has worked hard to represent growers' best interests over the last 12 months. NZKGI continues to advocate strongly for growers, with the Crown Garnett issue being a key example. Also, for the first time, we took a position on a Producer Vote, regarding northern hemisphere supply. Our leadership of Zespri share ownership reflects our commitment to industry stability, while our push for greater transparency – through reviews of Maturity Clearance Services and Commercial Incentives – demonstrates the value we deliver for growers' levies. It is my belief that this industry would not be as prosperous and resilient as it has proven without grower's views and voices moulding the path ahead.

Stepping into the role of Chair at NZKGI this year is both a privilege and a challenge I embrace with enthusiasm. The kiwifruit industry is evolving rapidly, and, as I've noted above, as global demand for New Zealand's produce continues to rise, growers are facing increasingly complex pressures. In this dynamic landscape, I see NZKGI as a steady and essential presence – advocating for growers, offering support, and ensuring their perspectives remain central as the industry transforms.

For me, this role carries a deep sense of responsibility. With a strong background in kiwifruit sector governance, including my recent time as NZKGI's Vice Chair, I'm excited to contribute at a higher level. There's a strong platform already in place thanks to the work of past leaders, and I'm committed to building on that legacy – championing



Chair's report

grower interests, strengthening ties with government and industry stakeholders, and making sure that the people at the heart of this sector are considered in every decision moving forward.

There have been several changes to the Forum over the last year. We welcomed Hannah Shaw (Northland), Paul Gardiner (Waikato), Rodger Bayly (Waihi/Coromandel), Mark Thompson (Katikati), Brigid Crawford and Leisha Parr (Te Puke), Steven Thomas (Less than 4%), Michelle Dyer (MPAC) and Andrew Dawson (Seeka). I'd also like to thank those who stepped down from the Forum for their service; Don Kemp, Mark Gardiner, Phil Jones, Sally Gardiner and Hayden Cartwright. Helen Allan also stood down as a Te Puke representative and rejoined as the Aputa representative.

I am extremely grateful for the strong position Mark Mayston has left NZKGI in as outgoing Chair. It has also been a pleasure to welcome Robert Humphries as Vice Chair and I note that we have a Executive Committee member vacancy at this time of writing. I feel confident that our organisation is well equipped to support growers.

This comprehensive report marks an important milestone for NZKGI off the back of growers seeking more transparency on the performance of Zespri and our overall industry. Thank you for taking the time to read this report which I hope you find insightful, informative and valuable. Endeavours such as these will help contribute to our industry retaining its leading position into the future. With all the ups and downs of the 2025 harvest season complete, I wish you well with the year ahead.

Whetu Rolleston, NZKGI Chairperson




# Setting the scene

## Both the global and New Zealand fruit categories are in good health with strong fundamentals

### Consumer confidence is positive

As we step back and take a wider look at where our industry is heading, the current state of global consumer confidence appears cautiously optimistic.

It's pleasing to note that consumer confidence began positively in 2025, with the Ipsos Global Consumer Confidence Index<sup>5</sup> rising 0.7 points from December 2024 to 48.6<sup>1</sup>. 31% of countries measured are showing significant gains in consumer sentiment, and only 10% are experiencing notable declines<sup>1</sup>, suggesting a broadly positive trend worldwide.

 The purpose of this section is to describe the global environment which our industry has been operating within

### Fruit consumption is growing rapidly

How this increase in consumer confidence translates to global fruit consumption<sup>4</sup> is an even more positive development. The volumes of all fruit groups are forecast to continue steady growth at about 3% per year for the next 5 years. With the global population set to increase an average 0.6% per year to 8.1 billion by 2029, it is pleasing to see that the increase in fruit consumption outpaces population growth.

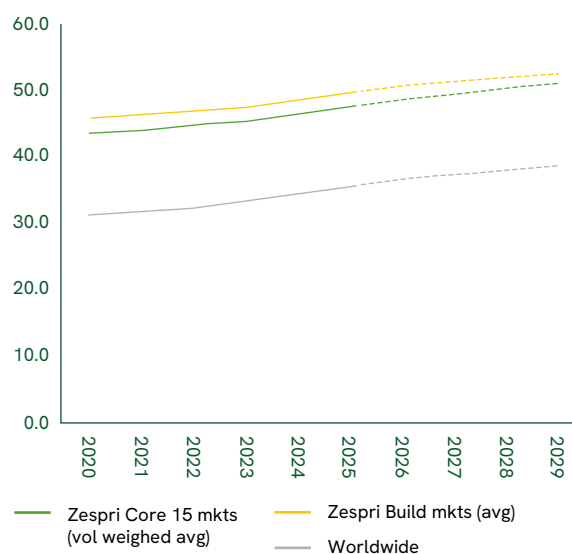
As kiwifruit is estimated to consist of less than 1% of the global fruit bowl, we note there is room for significant future growth.

### Fruit value is increasing

Fresh fruit revenue is forecast to increase steadily in both Zespri's core and developing markets, with the global growth in fruit value forecast to increase by an average of 5% per year.

Underpinning this growth is a forecast of increased consumer spending on food and beverages. In addition, the percentage of GDP spent on health-related products is forecast to increase over the next decade. Kiwifruit is well-positioned in this space to capitalise on global consumer health food trends<sup>6</sup>. Our exceptional nutritional offering is an attractive choice for consumers seeking affordable, convenient, sustainable and healthy options.

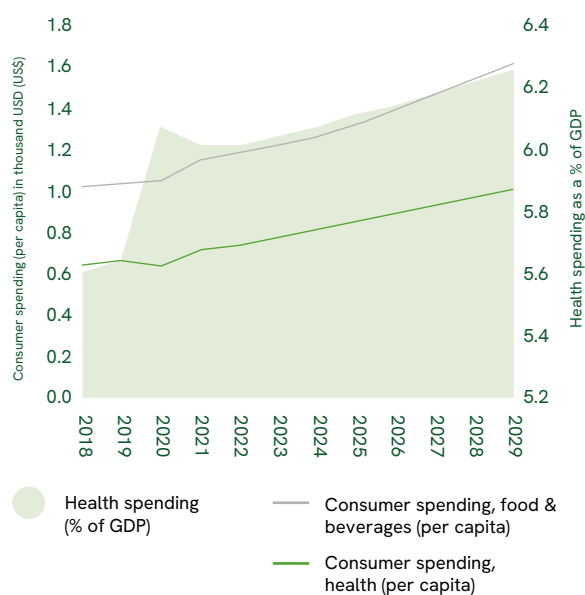
### Average fruit volume per capita (kgs)



#### Fruit Consumption - Average Volume per Capita

Source: <https://www.statista.com/outlook/cmo/food/fruits-nuts/fresh-fruits/worldwide?currency=USD>

### Food and health spending trends: 2018-2029



#### Food and Health Spending Trends | 2018 - 2029

Source: <https://www.statista.com/outlook/cmo/food/fruits-nuts/fresh-fruits/worldwide?currency=USD>

## New Zealand's growing horticulture industry

As we look a little closer to home, our relative growth and future forecasts should be celebrated.

MPI's Situation and Outlook for Primary Industries<sup>3</sup> (SOPI) reports food and fibre export revenue to reach \$56.9 billion in the year to 30 June 2025. Within this group, horticulture (including viticulture) is forecast to increase by 12% to \$8.0 billion. Of this, kiwifruit exports make the most revenue, exceeding \$3 billion and is forecast to rise 38% in the 2024/25 season to \$3.5 billion.

The SOPI report highlights the significant growth and positive outlook for the kiwifruit sector, driven by record production volumes, strong market demand

### Export revenue in \$ billion and export volume in millions of trays: Year to 31 March

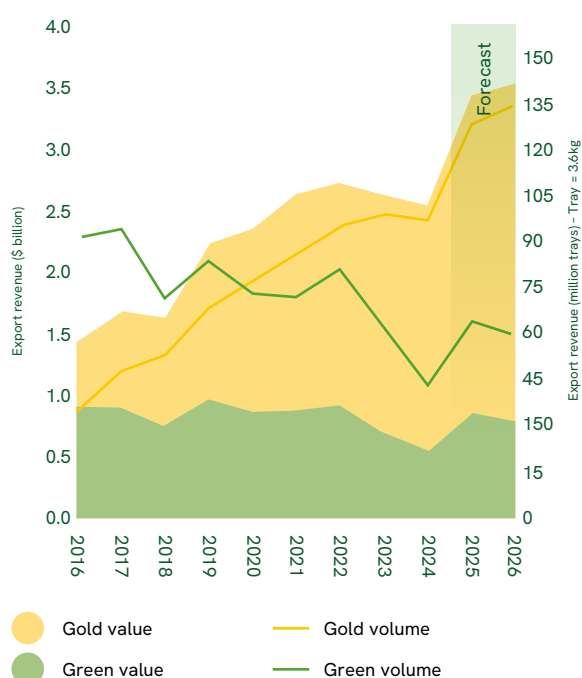


Chart 5: Record export revenue expected

(Source: <https://www.mpi.govt.nz/dmsdocument/66648-Situation-and-Outlook-for-Primary-Industries-SOPI-December-2024>) Red kiwifruit was not reported in this version.

Sector	Actual (\$m)					Forecast (\$m)	
	2020	2021	2022	2023	2024	2025	2026
Dairy	20,102	19,055	21,998	26,008	23,231	25,500	25,560
Meat and wool	10,617	10,373	12,310	12,114	11,336	11,390	11,870
Forestry	5,452	6,499	6,578	6,353	5,748	5,980	6,100
Horticulture	6,541	6,579	6,825	7,088	7,116	8,000	8,470
Seafood	1,857	1,789	1,919	2,097	2,141	2,210	2,370
Arable	289	261	252	272	345	360	370
Processed food and others*	2,988	3,087	3,228	3,493	3,416	3,460	3,570
<b>Total export revenue \$:</b>	<b>47,846</b>	<b>47,642</b>	<b>53,110</b>	<b>57,425</b>	<b>53,333</b>	<b>56,890</b>	<b>58,310</b>
<b>Year-on-year % change:</b>	<b>3%</b>	<b>0%</b>	<b>11%</b>	<b>8%</b>	<b>-7%</b>	<b>7%</b>	<b>2%</b>

Notes: \*Processed food and other products include live animals, honey, and processed food. Totals may not add up due to rounding. Percentages are rounded to the nearest whole percent. Some values for 2022 and 2023 have been updated due to revisions by Stats NZ. Source: Stats NZ and MPI.

and favourable economic conditions. Notably, kiwifruit export revenue from EU countries rose over 77% year-on-year in the first two quarters of the 2024/25 season, bolstered by the NZ-EU Free Trade Agreement (FTA). Further, exports to China increased by 22% year-on-year in the first two quarters, driven by higher sales volumes.

## New Zealand's primary industries are faring well

As we look across the shelter belt to our other primary industry peers;

- **Dairy export** revenue is forecast to increase by 10% to \$25.5 billion in the year to 30 June 2025, driven by higher global dairy prices due to tight global supply and increased domestic milk production.
- **Meat and Wool** export revenue is expected to increase slightly to \$11.4 billion in the same period.
- **Red Meat** continues to benefit from increasing US demand but faces headwinds in reduced production and export volumes due to a smaller flock and lower lambing rates.
- **Forestry** export revenue is expected to rebound by 4% to \$6.0 billion in the year to 30 June 2025, driven by increased building activity in China and higher demand for logs and processed wood products. However global demand remains low, and closure of some wood processing plants will reduce production capacity.
- **Seafood** export revenue is forecast to rise by 3% to \$2.2 billion in the year to 30 June 2025. This is supported by high seafood prices due to tight global supply and sustained demand, and a rebound in aquaculture production. This sector continues to face increased competition in the rock lobster export market in China.
- **Arable** export revenue is expected to grow by 4% to \$360 million in the year to 30 June 2025.
- **The rest** of the food and fibre sector is expected to increase by 1% to \$3.5 billion in the year to 30 June 2025.

Table 1: Food and fibre sector export revenue 2020-26

source: <https://www.mpi.govt.nz/dmsdocument/66648-Situation-and-Outlook-for-Primary-Industries-SOPI-December-2024>)

1. <https://www.ipsos.com/en/ipsos-consumer-confidence-january-2025> 2. <https://www.ipsos.com/sites/default/files/ipsos%20Global%20Consumer%20Confidence%20-%20Trends%20January%202024.pdf> 3. <https://www.mpi.govt.nz/dmsdocument/66648-Situation-and-Outlook-for-Primary-Industries-SOPI-December-2024> 4. Statista Market Insights to 06012024 5. Interpreting the Index Value. A reading above 50 indicates a positive consumer sentiment, suggesting that consumers are optimistic about their financial situation and the economy. A reading below 50 indicates a negative consumer sentiment, suggesting that consumers are pessimistic about their financial situation and the economy. 6. <https://foodandnutrition.com/top-10-food-and-nutrition-trends-for-2025>

# Executive summary

This 2024/25 report finds that the kiwifruit industry remains resilient, with strong fundamentals and positive grower sentiment

Production surged, with tray sales increasing by 42.3%, reflecting a significant uplift in volume. Although Fruit and Service Payments (TFSP) per tray declined by 6% to \$15.44, they remained 17% above 2022/23 levels. Export earnings reached a record \$3.66 billion, supported by strong international demand. Orchard Gate Returns (OGR) rebounded across all varieties, with Red19 stabilising due to supply-demand dynamics. It is notable that Grower sentiment surveyed for this report identified increasing OGR, alongside expanding into new markets, as the top priority.

The report finds that Cost of Quality (CoQ) remains a challenge. While 2024 resulted in a significant increase in trays submitted from 2023, the CoQ trends differed between the varieties, with Green Conventional increasing and SunGold Conventional decreasing. While acknowledging the previous shorter selling season, quality claims also increased: Green Conventional ended the season with 3.8% of claims - nearly triple that of 2023 - while Green Organic doubled from 1.7% to 3.4%. For Gold Conventional, 2024 quality claims were a slightly worse result than 2023 ending the season at 2.1% compared to 1.7%, despite a mid-year recovery. One insight noted in the report is that on average, from arrival, Green Conventional KiwiStart trays took approximately four months to exit the market, and Gold Conventional took slightly longer.

Despite these challenges, labour availability was favourable over 2024/25, and onshore fruit loss was the lowest in recent years, helped by a favourable growing season. The report's insights of markets shows demand continues to outpace

supply. Zespri maintained premium pricing in core markets, though brand awareness declined. Notably, Green kiwifruit achieved strong pricing in Europe, Korea, and North America, but faced competitive pressure in China and Japan. Collaborative marketing volumes rose 60%, outperforming Zespri in both TFSP and OGR per tray.

Environmental progress is also analysed, with advancements in spray compliance, emissions trials, low-emissions shipping, and sustainable water management positioning kiwifruit as a low-emission crop.

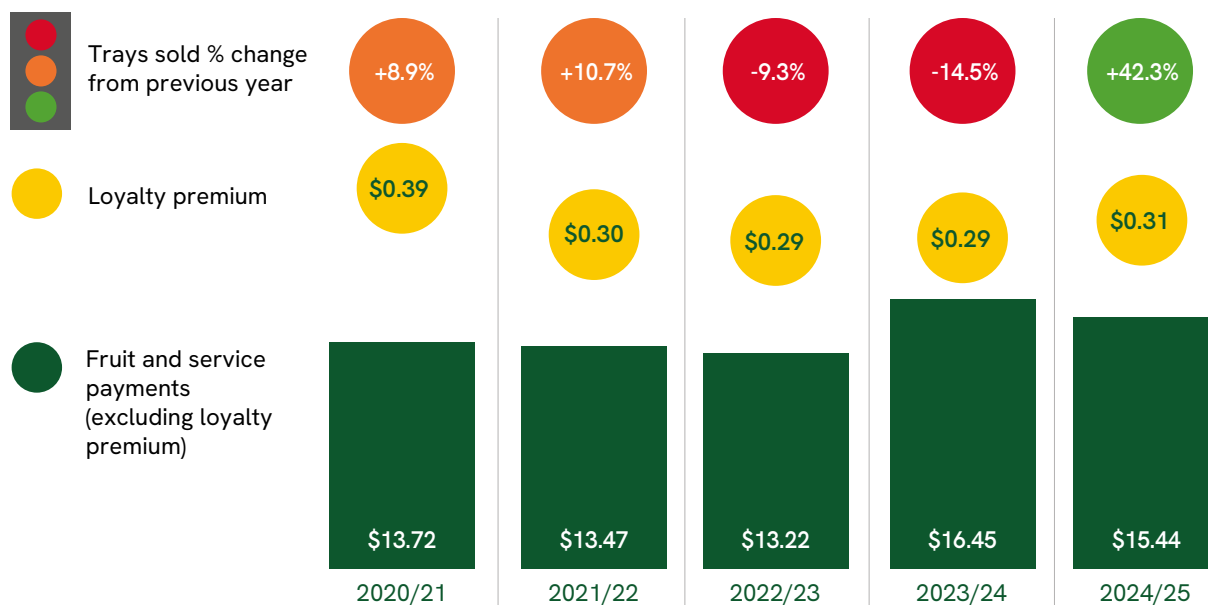
Sector-specific insights from IAC, ISG, KNZ, and KVH are included, along with a deep dive into Maturity Clearance Services (MCS), with further detail available on the NZKGI website.

In 2024/25, Zespri EBIT from New Zealand supply returned to a profit of \$56.4 million. While this recovery is mainly due to a larger crop and associated economies of scale, it also encompasses a modest growth in overheads. The EBIT performance of 1.28% also triggered a margin reset under the Enduring Margin. Looking ahead, 2025/26's record harvest of over 216 million trays lays a strong foundation for future returns. With global demand remaining robust - unconstrained for Gold, and managed for Green - the future looks bright.

Future editions of this report will seek to further increase access to data, particularly around New Zealand kiwifruit performance while being shipped. NZKGI is also looking forward to greater insight into Zespri Global Supply (ZGS) reporting from 2026.

# Kiwifruit production in New Zealand

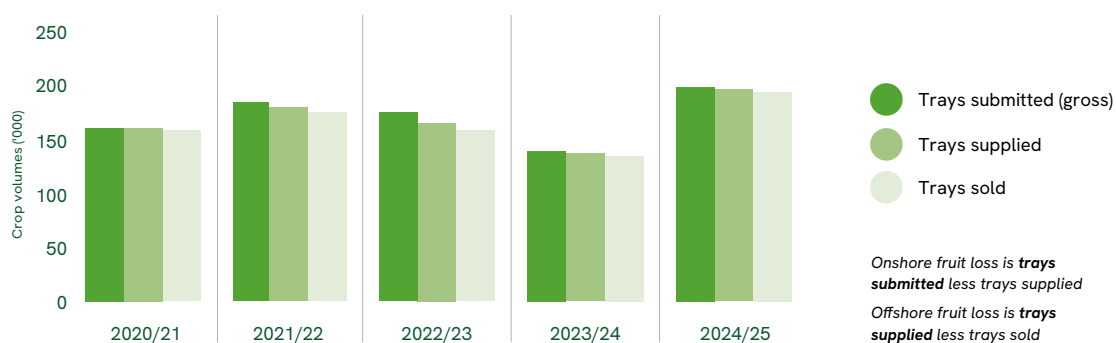
## Distribution to growers (per tray)



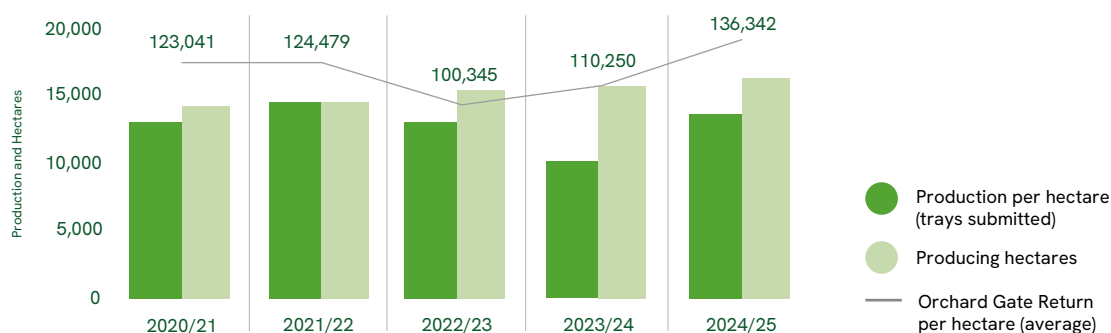
In 2024/25, Fruit and Service payments per tray decreased by 6% to \$15.44 compared to 2023/24, however they remained 17% higher than 2022/23.

Loyalty increased \$0.02 to \$0.31.

## Crop volumes

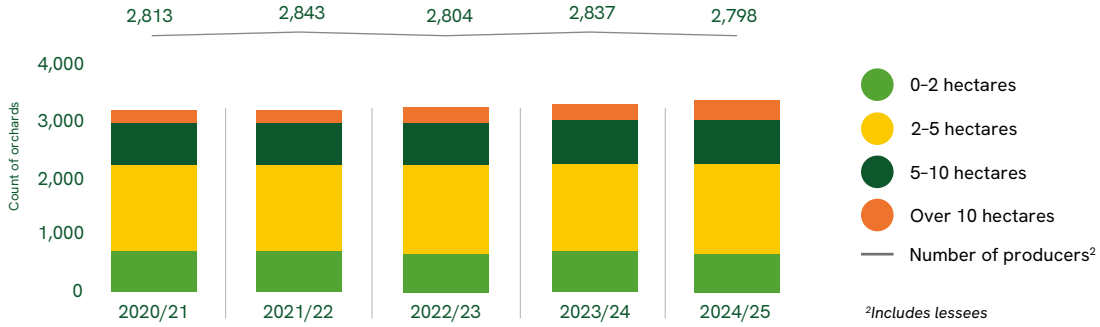


## Production and OGR

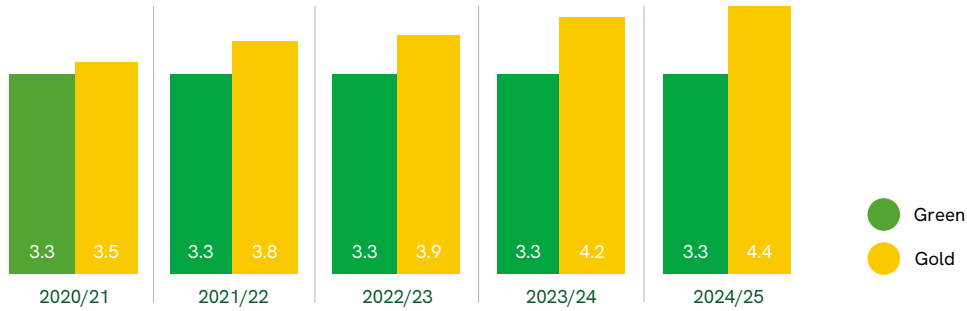




## Producers



## Average orchard size (hectares)

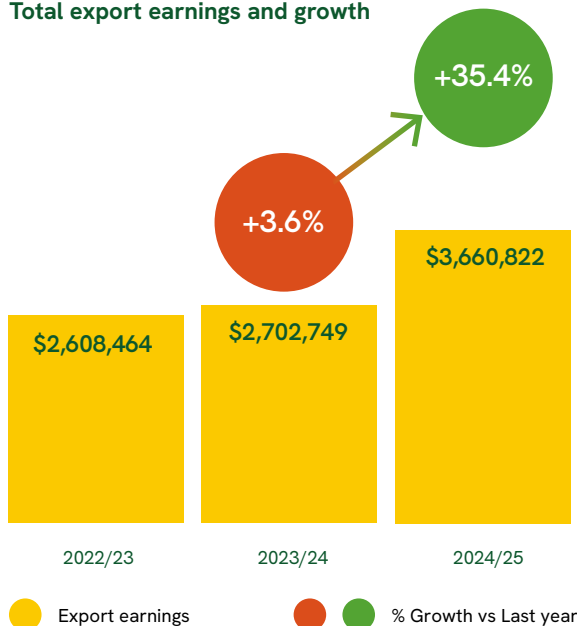


# TFSP & export earnings

## 2024 export earnings hit a record \$3.66 billion

Export earnings reached a record \$3.66 billion in 2024/25, an increase of \$958 million (35%) compared to the previous year. This growth was driven by a larger crop volume and followed the 2023/24 season, which itself saw a 3.6% (\$94.2 million) increase over the prior year.

## Total export earnings and growth

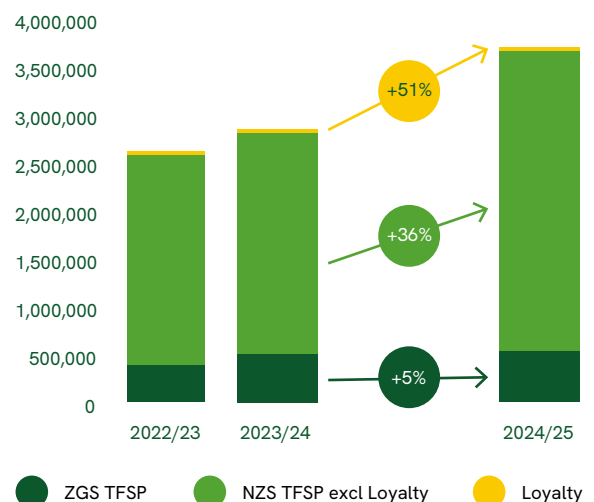


## Total Fruit and Service Payments (TFSP) and Loyalty

### TFSP increase 36%

Total trays sold increased by 42% to 193 million, generating a 36% increase in TFSP. Selling the larger crop took longer, leading to higher supply chain and selling costs (such as fruit loss, quality claims and customer funds). Additionally, TFSP was impacted by a weakened Japanese Yen and a smaller profile for Green, resulting in the slight decrease in the TFSP per tray reported in the Kiwifruit Production chart.

### TFSP incl Loyalty (\$'000's)



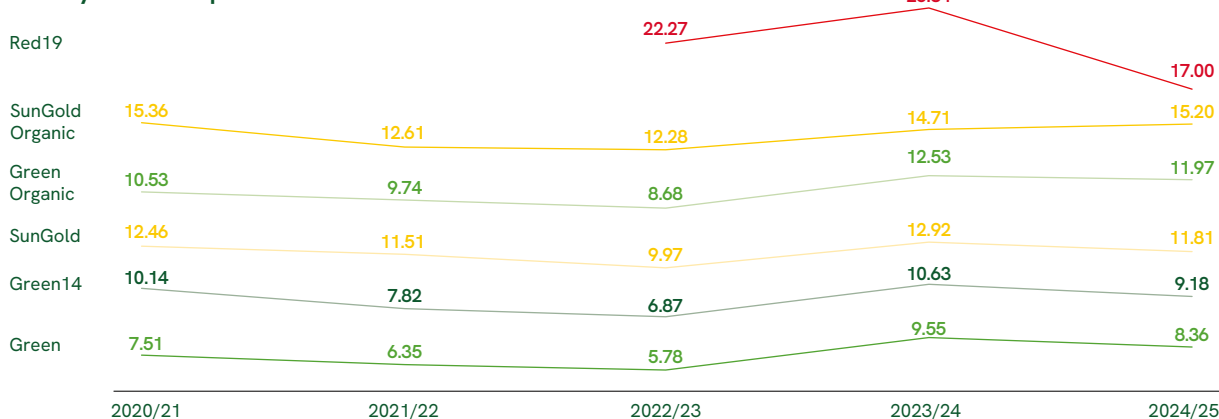


# OGR per variety

OGRs have adjusted from the short selling season of 2023, yet remain on an upward trajectory since 2022<sup>1</sup>.

<b>Green</b>	<b>\$8.36</b>	<b>SunGold</b>	<b>\$11.81</b>	<b>Red19</b>	<b>\$17.00</b>
2023/24	↓ -1.19	2023/24	↓ -1.11	2023/24	↓ -9.34
2022/23	↑ 2.58	2022/23	↑ 1.84	2022/23	↓ -5.27
<b>Green Organic</b>	<b>\$11.97</b>	<b>SunGold Organic</b>	<b>\$15.20</b>	<b>Green14</b>	<b>\$9.18</b>
2023/24	↓ -0.56	2023/24	↑ 0.49	2023/24	↓ -1.45
2022/23	↑ 3.29	2022/23	↑ 2.92	2022/23	↑ 2.31

## OGR by Fruit Group and Year



<sup>1</sup>Red19 in its third year of commercialisation, reflects stabilised supply and demand dynamics. From the 2024 season size 46s were included as standard supply.

# Cost of quality

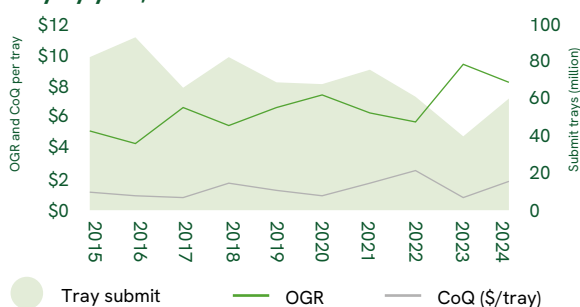
After a few tumultuous seasons, Cost of Quality (CoQ) has corrected to a more historical level.

CoQ is the total monetary impact associated with quality-related issues and checking requirements in the kiwifruit supply chain, both onshore and offshore. This is inclusive of fruit loss, repacking and condition checking, quality claims and discounts.

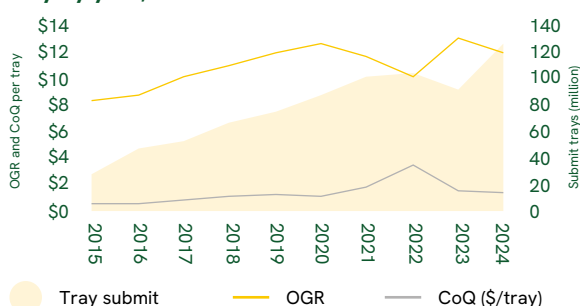
In 2022, the industry faced challenges related to the quality of fruit both on- and offshore, which were influenced by several factors including labour shortages and the weather. This drove record CoQ claims in both Green Conventional (\$2.58/tray) and SunGold Conventional (\$3.46/tray). The 2023 reduced crop in Green and subsequent shorter selling season resulted in significantly lower CoQ. For the same year, the reduction in SunGold was also evident, however the CoQ results did not drop as far as Green Conventional.

While 2024 resulted in a significant increase in trays submitted from 2023, the CoQ trends differed between the varieties, with Green Conventional increasing and SunGold Conventional decreasing.

## Trays submitted, OGR and Cost of Quality per tray by year, Green Conventional



## Trays submitted, OGR and Cost of Quality per tray by year, Gold Conventional



CoQ affects OGR performance. Given the industry's shifting dynamics (declining Green volumes, rising Gold volumes, and increasing OGRs over the past decade), it is valuable to analyse CoQ trends as a percentage of OGR over time.



### Adjusted OGR

To calculate the CoQ percentage, the CoQ per tray was added back to the seasons OGR, assuming this cost represents the OGR that was foregone. The percentage was derived by dividing the CoQ per tray by the adjusted OGR<sup>1</sup>.

<sup>1</sup>i.e.: OGR of that year + CoQ per tray of that year.

As SunGold Conventional submit increases over the long term, CoQ is also increasing.

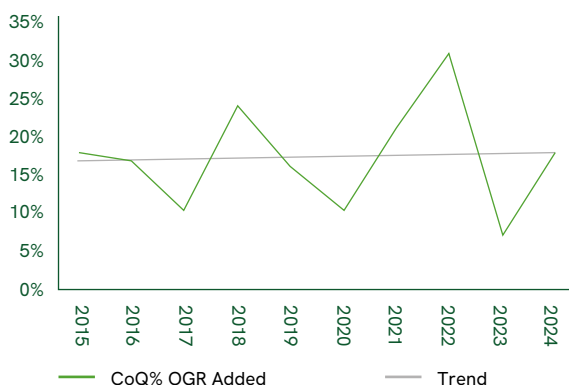
Each year that Green Conventional experienced an increase in submit (2018, 2021, and 2024) there was a corresponding rise in CoQ from the preceding year.

Critically, Green CoQ remains almost the same despite declining production over the last 10 years.

### Green CoQ the same despite submit decreasing

CoQ was 17.8% of the adjusted OGR 10 years ago and today it is 17.7%. Despite the aforementioned challenges in 2022 and the shorter selling season of 2023, as well as the exceptional year experienced by a Covid-19 impacted 2020, this number has remained consistent over the last decade.

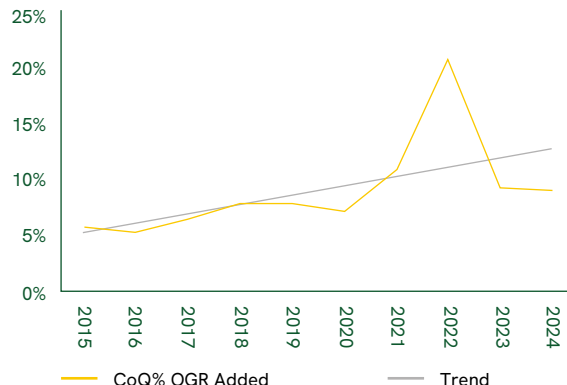
### Cost of Quality as a % of adjusted OGR, Green



### Gold CoQ is increasing

For SunGold, 10 years ago the CoQ was 6.3% of the adjusted OGR and this number has increased to 10.6%. Despite the notable years of 2020, 2022 and 2023, there has been a long-term increase of CoQ as a percentage of the adjusted OGR over the last decade.

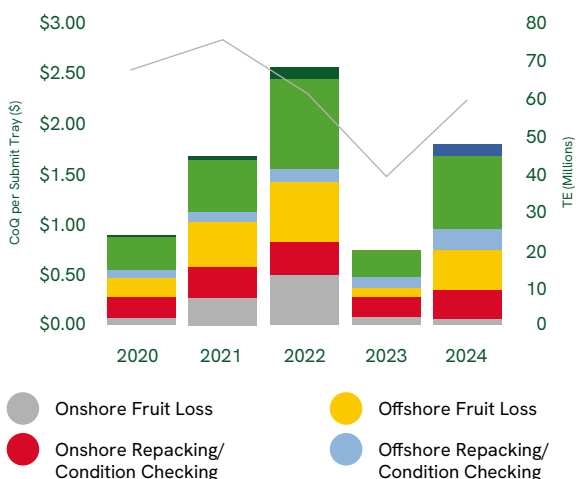
### Cost of Quality as a % of adjusted OGR, Gold



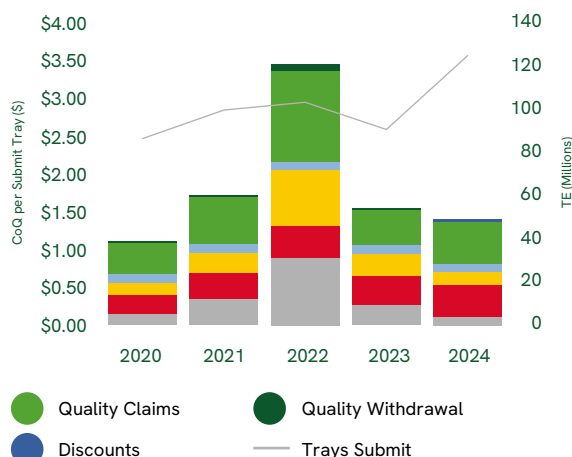
NZKGI reviews CoQ and can confirm that the trends for the organic fruit groups follow their conventional equivalents, with Red19 and Sweet Green not showing any alarming trends.



### Cost of Quality by reason and year, Green Conventional



### Cost of Quality by reason and year, Gold Conventional



## Cost of Quality by fruit group, total and tray by season

	2024 \$m	2024 \$ per TE	2023* \$m	2023* \$ per TE	2022* \$m	2022* \$ per TE
SunGold**	\$175.3	\$1.40	\$140.4	\$1.55	\$357.0	\$3.46
SunGold Organic	\$3.60	\$0.99	\$3.10	\$1.35	\$11.00	\$3.53
Green	\$108.1	\$1.80	\$29.5	\$0.75	\$159.0	\$2.58
Green Organic	\$5.30	\$1.45	\$2.60	\$1.28	\$10.80	\$3.29
RubyRed	\$1.30	\$0.89	\$0.40	\$1.56	\$0.20	\$1.50
Sweet Green	\$0.10	\$0.56	\$0.10	\$0.60	\$0.40	\$1.96

\* The prior year comparatives have been restated using current 7-year average FX effective rates to provide like for like comparison.

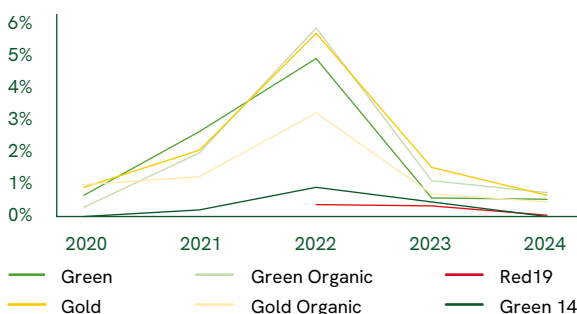
\*\* Crown Garnet Insurance recoveries are offset against the Cost of Quality and represent a gross recovery of \$28.8m or \$0.23 per tray.

## Fruit loss

### 2024 onshore fruit loss was the lowest in several years

2024 fruit loss outcomes improved due to a combination of what was widely considered to be one of the smoothest harvests in recent memory and continued benefits from the industry's 7-point action plan developed in 2022. Each fruit group experienced less fruit loss in 2023, which was also a significant reduction from 2022.

### Onshore fruit loss



<b>Green</b> change vs previous year ↓ -0.05%	<b>0.55%</b>	<b>Green Organic</b> change vs previous year ↓ -0.39%	<b>0.76%</b>	<b>Green 14</b> change vs previous year ↓ -0.46%	<b>0.01%</b>
<b>Gold</b> change vs previous year ↓ -0.88%	<b>0.67%</b>	<b>Gold Organic</b> change vs previous year ↓ -0.22%	<b>0.48%</b>	<b>Red19</b> change vs previous year ↓ -0.30%	<b>0.04%</b>

### Offshore fruit loss generally decreased

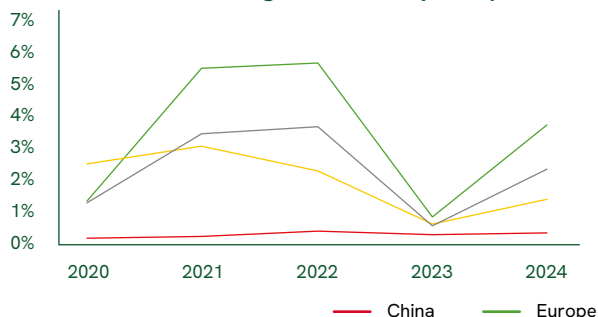
Offshore fruit loss experienced an increase in both Green and Gold Conventional fruit groups following the low volume year of 2023. Despite this increase, and recognising the short selling season of 2023, fruit loss continues to trend downward compared to 2022 levels.

For Gold and Green organic and Red 19, fruit loss decreased overall in 2023 compared to previous years, continuing the decline observed in 2022. While Green 14 had a 0.6% increase in fruit loss compared to 2023, it is significantly below the 4% experienced in 2022.

<b>Green</b> change vs previous year change vs 2022	<b>2.34%</b> ↑ 1.8% ↓ -1.3%	<b>Green Organic</b> change vs previous year change vs 2022	<b>0.47%</b> ↓ -0.1% ↓ -5.6%	<b>Green 14</b> change vs previous year change vs 2022	<b>1.18%</b> ↑ 0.6% ↓ -2.8%
<b>Gold</b> change vs previous year change vs 2022	<b>1.79%</b> ↑ 0.7% ↓ -1.4%	<b>Gold Organic</b> change vs previous year change vs 2022	<b>0.59%</b> ↓ -0.6% ↓ -4.9%	<b>Red19</b> change vs previous year change vs 2022	<b>0.84%</b> ↓ -0.7% ↓ -0.4%

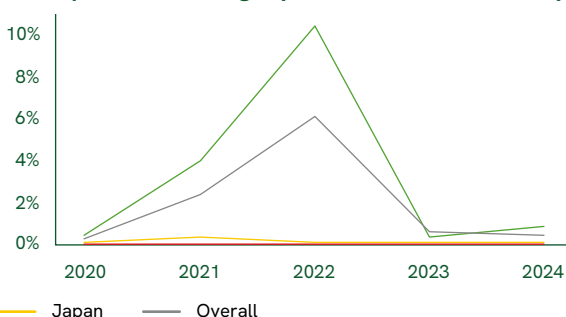
### Green

#### Increases in all regions, driven by Europe



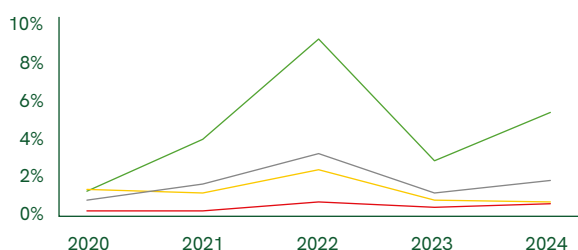
### Green Organic

#### Europe increases slightly while the rest are steady



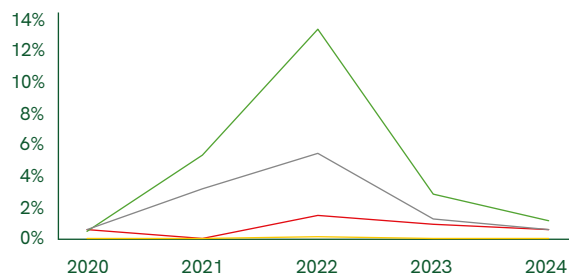
## Gold

## Japan and China steady while Europe increases



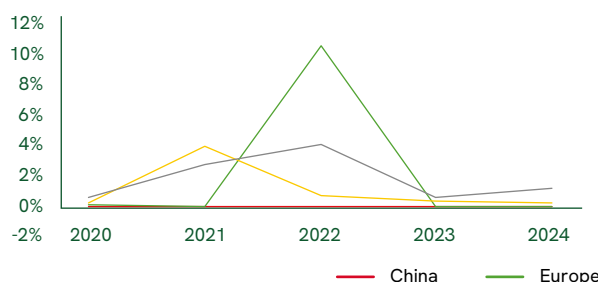
## Gold Organic

## All regions declining



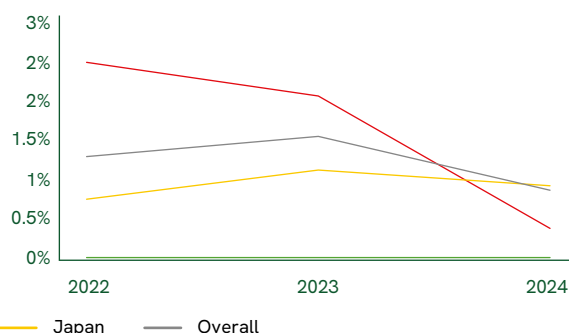
## Green 14

## Steady in all regions



## Red 19

## All regions declining



## Industry body reports

### Industry Supply Group (ISG)

The Industry Supply Group (ISG) includes five representatives from Zespri, one representative from each Registered Supplier (13 in the 2024/25 season), and three grower-appointed representatives from NZKGI. Its function is operational focused, including supply chain management, insurance matters, reviewing the pooling process, rules, pricing and payments, and debating and negotiating the Supply Agreement. The ISG reports to the IAC. ISG meets at least 12 times per year, with a significant number of working groups operating outside of the main ISG meeting.

Most decisions within ISG are made by consensus among the three parties (Zespri, Suppliers and NZKGI). However, if consensus cannot be reached, a recommendation must be supported by both Zespri and Registered Suppliers representing 70% of the industry's trays. Zespri, Registered Suppliers and NZKGI may request consultation time on material issues. For growers, the NZKGI Forum has an important role in that consultation and

representatives need to be given sufficient time to consult properly.

In the last 12 months, the operating rhythm of ISG has remained consistent with previous seasons. This included reviewing outcomes of the previous season, negotiating and agreeing changes to industry agreements and then monitoring progress throughout the season.

Rules around Supplier Accountability have been afforded more time at ISG than previous seasons because the post-harvest operators compete against each other for growers' fruit. These operators need confidence that they are operating on an even playing field. In addition, the grower pool is maximised when only high-quality marketable fruit leaves New Zealand's shores. An appropriate Supplier Accountability framework, supported by a strong Quality Assurance programme, aids fair competition and supports returns to the grower pool.



## Kiwifruit Vine Health Incorporated (KVH)

KVH is the biosecurity and emergency management organisation dedicated to supporting the kiwifruit industry to protect itself from threats. KVH is a management agency under the Biosecurity Act to manage risk across industry pathways under the National Kiwifruit Pathway Management Plan (NPMP), is a member of the Government Industry Agreement for Biosecurity Readiness and Response (GIA) and most recently expanded its strategic mandate to coordinate other emergency responses on behalf of the industry, such as severe climatic and geological events.

In the last year the KVH team have been busy managing NPMP activities, including working with growers, nurseries, postharvest facilities, contractors, pollen mills and processors to ensure appropriate biosecurity practices are being followed, monitoring unmanaged orchards and undertaking a national programme of wild kiwifruit control. Although the responsibility for day-to-day management of Psa-V was transferred to Zespri in 2023, KVH still manages the high risk Psa-V activities, including preventing spread to areas where the bacteria isn't present and monitoring for new strains.

Within the GIA partnership, which now includes 24 industry partners and the Ministry for Primary Industries (MPI), the last year has seen several high priority responses, including two Oriental Fruit Fly responses from January to April 2025. Fruit flies are the number one threat to the kiwifruit industry, with the potential to cause significant market access impact. To support the responses, KVH and staff from Auckland based post-harvest organisations were involved in response operations and

fortunately, no further flies were found, and New Zealand was able to retain its national status of fruit fly freedom.



The Emergency Response Management (ERM) portfolio has been in place for two years, over which time an ERM framework has been established, an extreme weather response plan developed, an industry training programme stood up and an exercise run to test our plans. Alongside this work, a comprehensive engagement programme has been in place to keep industry organisations up to date with progress, in addition to establishing relationships with local and national emergency agencies. This work means when the next extreme event happens, the kiwifruit industry will be on the front foot with supporting growers.

KVH is also involved in multiple biosecurity research collaborations, with Zespri Innovation, Better Border Biosecurity (B3) and within the GIA partnership to prepare for biosecurity threats.

Looking to the year ahead, KVH's priorities are:

- Wide industry engagement on pathway risk management, including preventing spread of wild kiwifruit populations.
- Continuing GIA work to keep high priority pests out of New Zealand, including fruit flies, Brown Marmorated Stink Bug and invasive pathogens.
- Development of an ERM response plan for a volcanic eruption, further industry training and a Bay of Plenty emergency exercise to test plans.

## Industry Advisory Council (IAC)

IAC is a pan-industry body comprising of five representatives each from Zespri, NZKGI, and registered suppliers. IAC is tasked with considering significant pan-industry issues, including strategic industry policy, governance and structure, and provides recommendations to the Zespri Board and other industry groups. IAC meets bi-monthly. For a vote to pass, a majority of members in each electoral college must vote in favour.

IAC reviews any matter previously dealt with by the Industry Supply Group (ISG) and approves amendments to the Loyalty Agreement and Supply Agreement. It also reviews the Enduring Funding Agreement, which outlines the margin paid by growers to Zespri, and the Zespri Segment Allocation Manual. The latter covering how costs are allocated between the New Zealand Supply business and the Global Supply business. These decisions have a direct impact on grower returns.

Standing agenda items include market, quality and supply chain updates throughout the season. Members also receive insights into the foreign

exchange positioning for the year and updates on Project Horizon – the aptly named technology project.

Two additional items have been on the agenda in the last 12 months. The first was the short-term challenge presented by the mice find on the first shipment of the season to Europe – Crown Garnett. IAC had regular meetings with Zespri staff and provided guidance to ensure the best possible outcome for the industry. With the benefit of hindsight, we now know that a successful outcome was achieved from what was a very challenging initial situation.

The other additional item relates to Industry Alignment. The industry needs to be aligned on the strategic initiatives which will maximise grower returns in both the short and long term. IAC representatives work with Zespri to understand the issues which need to be addressed to ensure the industry is future fit – including share alignment, grower incentives which reflect market performance, supply chain excellence, market development and climate readiness, to name a few.

## Kiwifruit New Zealand (KNZ)

The Kiwifruit Export Regulations 1999 gives Zespri a unique position in the kiwifruit industry as the "single desk" exporter of New Zealand grown kiwifruit to all countries other than Australia, and provides opportunity for other exporters to export in collaboration with Zespri. While the Zespri "single desk" supports the industry to meet the global market demands through certainty of quality and supply, it also creates a number of risks such as captured supply, and industry dominance.

### KNZ's key functions:

1. Issue an Export Authorisation to Zespri;
2. Monitor and enforce the mitigation measures;
  - a. Non-discrimination rule
  - b. Prior-notice rule
  - c. Non-diversification rule
  - d. Information disclosure
3. Administer the collaborative marketing regime.

### KNZ's scope

KNZ's functions and responsibilities are set out in the Regulations. KNZ does not have a general supervisory role in the kiwifruit industry, or of Zespri. KNZ is prohibited from carrying out any commercial activity and does not operate to make a profit.

The KNZ business model is that of a truly independent professional regulator. Their independent decision making is protected by statute and their governance structure. The Regulations created KNZ as a body corporate of six members. The Chair and two independent Directors are appointed by the Minister of Agriculture, and three Directors are elected by New Zealand kiwifruit producers.



### 2024 – Key activities:

- Annual review of Export Authorisation
- Monitor ZGL's equitable drawdown compliance (non-discrimination rule)
- Attended Fruit Logistica Berlin, and ZGS Bologna
- ZGS producer vote – ensuring all producers informed ahead of the vote
- Collaborative marketing (33 applications, 33 approved)
- New Chair appointed in October
- Stakeholder engagement

### 2025 – Key priorities:

- Core business working definitions review
- Monitoring core business activities, ZGS, PVR ownership
- Information disclosure – supply agreement and associated documents
- Non-discrimination complaint investigation
- Grower elected directors – one position will be vacant in September
- International trade obligations (FTA's – EU/Middle East/India/China)

# Post-harvest: Transparency performance

## Post-harvest transparency

Growers have requested increased transparency from post-harvest operators so that comparisons can be made to decide which operator will work best for their individual needs. A list of questions has been developed that we suggest growers ask post-harvest operators.



To view the questions, visit the NZKGI website here: [www.nzkgi.org.nz/post-harvest-transparency-questions-2](http://www.nzkgi.org.nz/post-harvest-transparency-questions-2)

Post-harvest operators' performance have a direct influence on on- and offshore fruit loss and ultimately grower returns. Post-harvest teams focus on optimising the quality of fruit received from the orchard. However, they are not equipped to rectify inherent fruit issues - they work with what is delivered and cannot improve the fruit beyond its harvested condition. Their core role is to grade and pack fruit according to Zespri's standards, effectively coolstore the fruit until required to meet market orders from Zespri and manage inventory to maximise outcomes for all of their growers.

**Growers have the autonomy to choose their post-harvest operator, and this freedom of choice fosters healthy competition – naturally prompting growers to want to know which operator delivers their best results.**

However, it is difficult to determine which is best as it is dependant upon what a grower is looking for from their relationship with their post-harvest provider. It is also difficult to determine because of the lack of standardised reporting in the industry and a general lack of transparency of data.

However, there are places where growers can find information. NZKGI has produced a list of questions growers could choose to ask their current or prospective post-harvest provider.

The industry supply agreement (Schedule 12, Section C) details how post-harvest, or Zespri, are required to provide reporting to growers on request relating to the Registered Supplier's performance<sup>1</sup>:

**C1.2** On request of a Grower the Registered Supplier may provide the Grower with information as specified and in the form determined from time to time by ISG and approved by ZGL for the purposes of this clause C1.2, relating to the Registered Supplier's performance of the Services in relation to Kiwifruit supplied from all Grower Numbers listed in relation to the Registered Supplier

**C1.3** In the event that the Registered Supplier does not provide information at the request of a Grower in accordance with clause C1.2, ZGL will provide such information to the Grower after confirming that the Registered Supplier is providing Services on behalf of the Grower requesting the information. ZGL will notify the Registered Supplier of all information provided to a Grower under this clause C1.3.

<sup>1</sup><https://canopy.zespri.com/content/dam/new-canopy/nz/en/documents/full/packing-storing-exporting/supply-agreement/schedule12.pdf>

# Environmental management

## Spray compliance

NZKGI operates a phone line for our community to seek information or make complaints about the kiwifruit industry. The biggest concern from the community is agrichemicals, with the majority of complaints related to spraying – either spray drift or lack of notification.

Complaints are managed by Zespri who take any necessary follow-up actions.



## Our industry faces climate change and emissions challenges

Climate change, driven by greenhouse gas emissions, is disrupting weather patterns and water availability, posing challenges for growers, communities, and the environment. While kiwifruit is a relatively low-impact crop, the industry is increasingly affected and is actively adapting to meet climate, customer,

and regulatory demands. Emissions such as carbon dioxide (CO<sub>2</sub>) and nitrous oxide (N<sub>2</sub>O) arise across the supply chain, from cultivation and fertiliser use to cool storage, transport, and retail. Understanding these sources helps the industry target the most effective areas for emissions reduction.

Zespri publishes core emissions in their annual report each year. An assured greenhouse gas emissions inventory report is available here: <https://www.zespri.com/en-NZ/Sustainability-Our-Environment>. Zespri is currently updating its organisational carbon footprint in line with the Greenhouse Gas protocol. Shipping is expected to remain the largest source of emissions.

## Our kiwifruit has a low carbon footprint

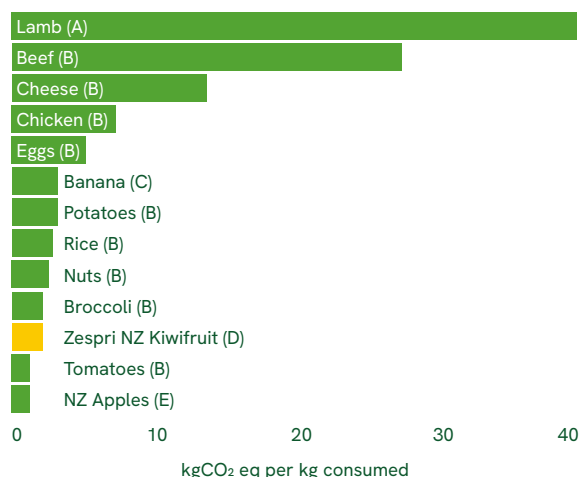
Despite being shipped globally and requiring long periods of cool storage, Zespri's New Zealand grown kiwifruit has a relatively low carbon footprint compared to other common food products.

(A) and (B): Hamerschlag, K., & Venkat, K. (2011). "Meat Eater's Guide to Climate Change + Health". Produced and consumed within the USA (except lamb which is partially imported).

(C): Svanes, E., & Woodhouse, A. (2013). "Carbon footprint of a Cavendish banana supply chain. International Journal Of Life Cycle Assessment", (September). Bananas produced in Latin America and consumed in Europe.

(D): Bengtsson et al. (2019). "Carbon Footprint for the NZ Kiwifruit Supply Chain: Total Industry Emissions". Confidential report for Zespri International Ltd. Kiwifruit produced in NZ and consumed all around the world.

(E): McLaren et al. (2009). "Carbon Footprinting the Apple Supply Chain". Landcare Research Contract Report: LC0809/175. Apples produced in NZ and consumed in the UK.



## Zespri has strategic climate action and adaptation plans

Zespri's action on climate has followed best practice with the *Climate Change Strategy (2020–2025)* setting directions and goals. In 2021, the *Climate Change Risks and Opportunities* report was published which identified the most relevant climate-related risks to the industry in all growing regions.

Zespri then launched the 2022 Climate Change Adaptation Plan - *Adapting to Thrive in a Changing Climate*, which was developed in consultation with growers and partners. This plan identifies actions and timelines to enhance resilience in both domestic and offshore growing regions.

These strategic documents have guided the commitment to action and innovation, with a Carbon Neutral Trial, Low Emissions Shipping Corridor Partnership, and investment to identify climate tolerant kiwifruit varieties just some examples of the progress being made.

Zespri reports annually on its corporate and shipping emissions through both its Annual Report and a detailed Greenhouse Gas Emissions Inventory Report, and also tracks progress on packaging targets in its Annual Report.

### Zespri have emissions reduction projects

#### Low Emissions Shipping

Decarbonising shipping is a complex challenge that requires coordinated action across the entire value chain including exporters, shipping companies, fuel providers, ports, and governments. To support progress in this area for the kiwifruit industry, Zespri has developed a low-emissions shipping roadmap focused on four key priorities: advocate, partner, pilot, and drive efficiency. As part of the 'pilot' priority, Zespri and Fresh Carriers Co., Ltd. (FCC) completed the first kiwifruit charter powered by a low emissions fuel, with the vessel *Kowhai* docking at Nangang Port in Shanghai in March 2025. This builds on ongoing trial work by Zespri and FCC, following a technical performance trial conducted in 2024.

### Carbon Neutral Trial

In response to growing market and regulatory pressures to measure and reduce supply chain emissions, Zespri has been working with a group of 19 growers since 2022 through its Carbon Neutral Trial. The trial supports growers in measuring and managing their emissions, with results from the 2022/23 and 2023/24 seasons showing an average emissions reduction of 14%, and individual reductions ranging from 1% to 35%. This represents an important first step in demonstrating the emissions reduction potential of on-orchard practice changes. The trial is also investigating the role that electrification and low-emissions technologies can play in reducing fossil fuel use, as well as the potential for carbon removals to further lower on-orchard emissions footprints.

### Zespri's 2025 climate strategy reset

The global shift from voluntary to regulated climate action has led to the emergence of new standards for carbon reporting and emissions claims. In response, Zespri is undertaking a climate strategy reset during 2025. This will include the development of a climate transition plan that sets both short- and long-term targets aligned with its most material impacts, while also addressing the expectations of growers, customers, and other stakeholders.

## Kiwifruit industry water strategy

### Water is important to protect

Climate change impacts, resource management reform, access to water, and industry growth are creating a more complex and uncertain environment for growers.

The kiwifruit industry recognises the critical importance of protecting water as a valuable resource and is actively seeking solutions to improve on-orchard nutrient and water management efficiency.

### Research is ongoing to understand our impact

Like other forms of agriculture and horticulture, kiwifruit production depends on water and interacts with the environment. While it is commonly understood that, compared to some industries, kiwifruit has a lower environmental impact, the industry is committed to continued improvement of on-orchard practice and building a strong scientific evidence base that can demonstrate this.

Industry partners are actively involved in multi-year science, research, and innovation initiatives aimed at better understanding and improving water and nutrient use in kiwifruit orchards. This work is essential for ensuring sustainable practices and informing future policy and regulatory frameworks.

### There is a joint-industry group for water

In 2019, New Zealand Kiwifruit Growers Incorporated (NZKGI), Māori Kiwifruit Growers Incorporated (MKGI), Zespri, industry partners and

growers jointly launched the kiwifruit industry's strategy on water, *He Wai mō Āpōpō Water for the Future: A Water Strategy for the Kiwifruit Industry*.

The strategy outlines objectives across five core focus areas: leadership, policy, Growing Our People (extension), research and information, and communications. It provides strong leadership, a shared vision, and effective governance to guide the industry forward.

Partners and stakeholders seek to achieve three key outcomes for growers in 2025:

1. Protect water quality by demonstrating alignment of nutrient inputs and losses with good practice limits.
2. Use water efficiently by adopting monitoring technologies to actively manage and demonstrate responsible use.
3. Build soil health by ensuring growers have access to tools and knowledge that protect and enhance fertile soils.

Supporting the strategy is a five year action plan *He Wai mō Āpōpō Water for the Future*. The document outlines key projects currently underway and ten success indicators that track progress towards the strategy's goals.

The strategy and accompanying work programme are undergoing review to assess progress to the 2025 goals and develop the plan to take the strategy forward. Work is being reprioritised to align with emerging regulatory and reporting requirements.



# Grower survey

The annual NZKGI survey aims to gather insights from kiwifruit industry stakeholders on perceptions of the industry, Zespri, and NZKGI, as well as gather demographic and industry profile information to inform strategic decisions and identify areas for improvement.

## We're proud and confident

New Zealand kiwifruit growers are proud of their role and confident in both their orchards and Zespri's sustainable future.



## We know what's important to us

Zespri is seen as making a strong social, cultural, and environmental contribution. Growers feel well-informed and confident engaging with the company. However, improvements are needed in ensuring equal commercial opportunities and responding to strategic feedback.



## We give NZKGI a tick of approval

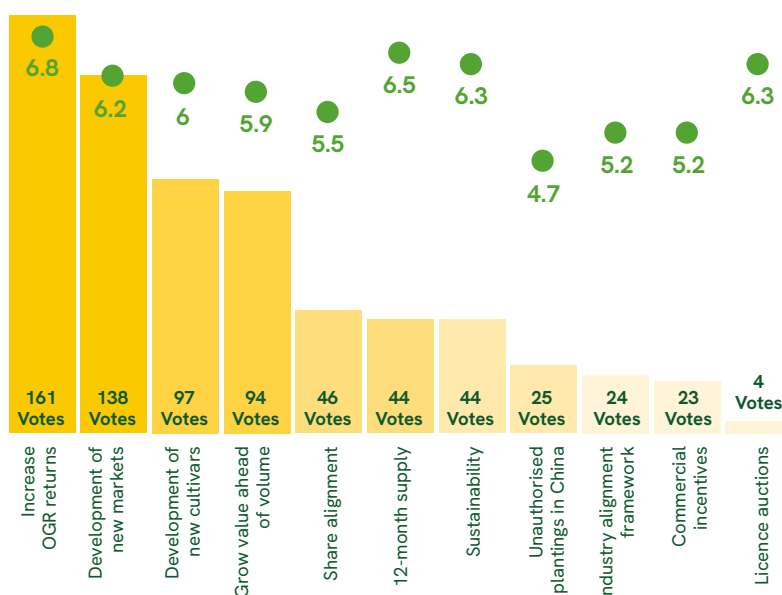
Growers see NZKGI as an effective advocate and believe their levy delivers value.



## We have priorities on Zespri and views on its performance

Increasing OGR remains growers' top priority, with Zespri rated highly in this area. Developing new markets and cultivars round out the top three priorities, with growers confident in Zespri's progress. The lower priorities – industry alignment and commercial incentives – also received the lowest performance ratings for Zespri.

Survey participants selected their top 3 priorities then rated Zespri's performance of all priorities out of 10



● Rating out of 10

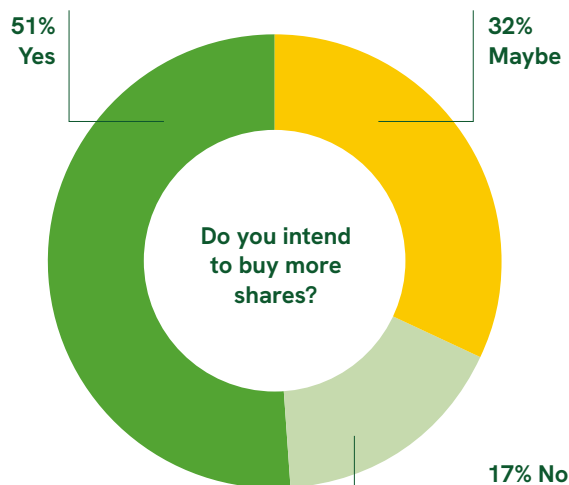
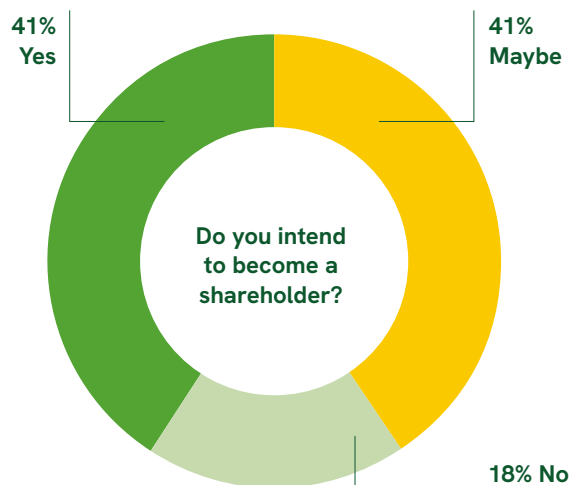
## Is your kiwifruit business your main source of income?



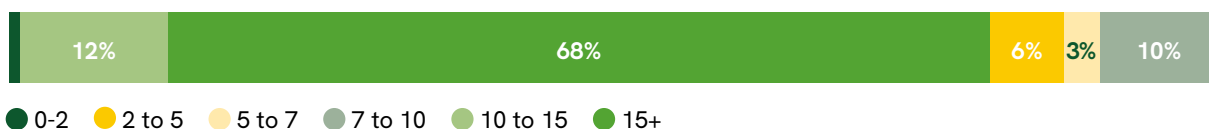
## Are you a Zespri shareholder?



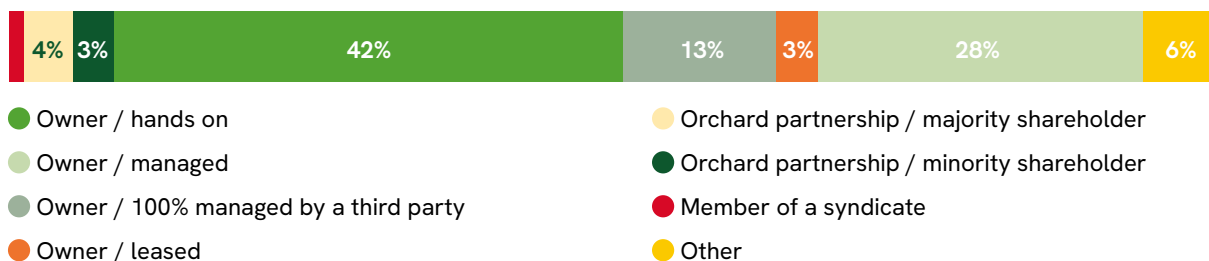
23% of those surveyed were not current Zespri shareholders however 82% indicated purchasing shares was an option. Of the 77% surveyed that were shareholders, 83% indicated positively towards purchasing more shares



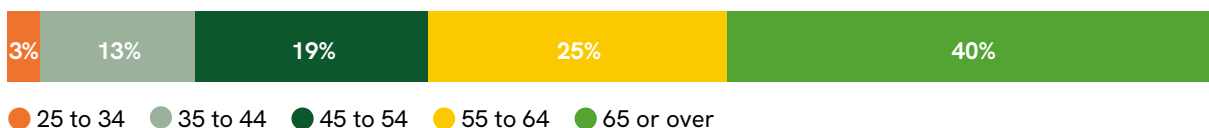
### How many years have you been in the kiwifruit industry?



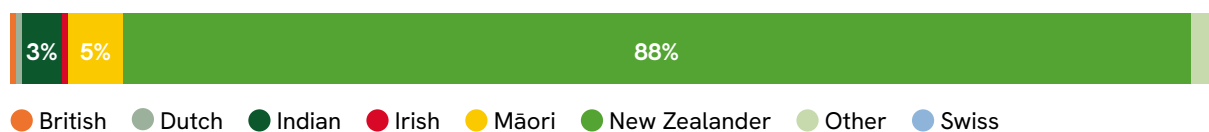
### How would you best describe your relationship with the kiwifruit industry?



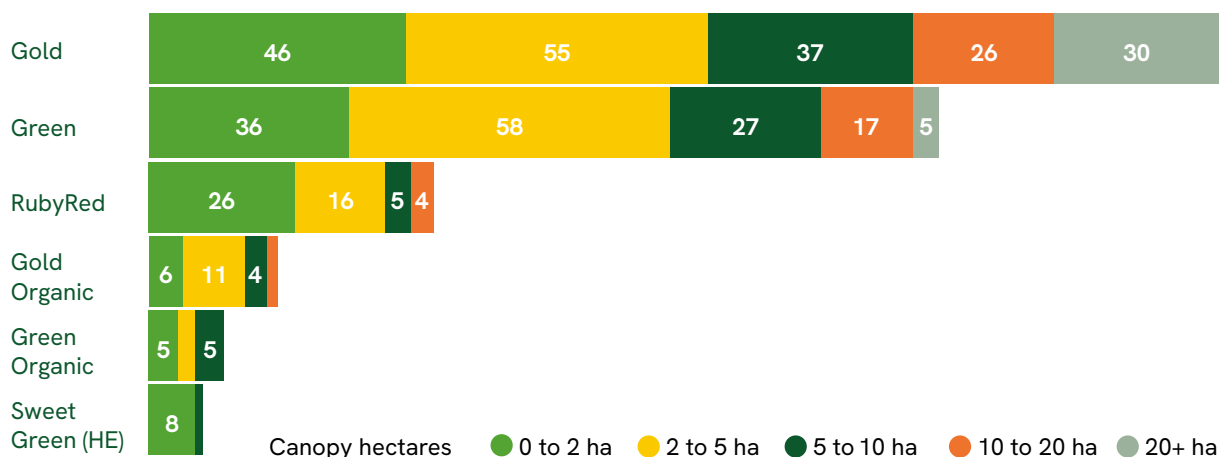
### What is your age group?



### What ethnic group do you belong to?



### What is your total growing area by variety?



This is our first annual grower survey, and we'll be completing it every year to track changes over time – the survey's still open if you'd like to contribute.

#### Survey methodology



A link was sent to all growers in the NZKGI database by their forum rep, as well as twice in our weekly newsletter

232  
responses



Survey conducted  
May and June  
2025

# Maturity clearance services review

NZKGI completed a full deep dive into the performance of Zespri's management of the Maturity Clearance system. The data analysed for this deep dive was sourced from Zespri.

This research was initiated on the back of feedback from growers regarding the performance and cost of the Maturity Clearance Service (MCS). The key concerns provided to NZKGI by

growers included inconsistent results between service providers, inefficiency due to too many providers, cost increases, and performance measurement metrics and their effectiveness.

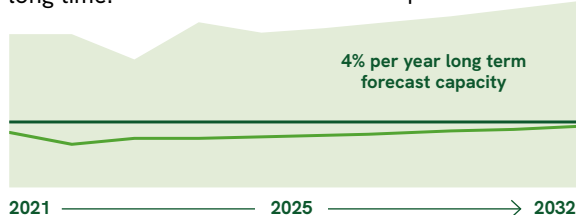
For greater clarity of the information displayed on this page, please refer to the full report available on our website: [www.nzkgi.org.nz](http://www.nzkgi.org.nz).

## Capacity

Plenty of capacity, fit for purpose for a long time.

### Key

- Peak packing day volume
- MCS capacity
- Peak samples



Capacity utilised at peak



### Recommendation

Review surplus capacity to balance cost efficiency with long-term sustainability.



## Performance measurement

Performance measurement was robust and statistically sound, but internal communications and processes need improvement.

Key ● Pass ● Recommendations made

**Proficiency samples**  
Checking that labs get consistent, accurate results.



**AZ samples**  
Duplicate clearance sample to assess the variability between same MA.



**On-orchard and lab auditing**  
Checking that fruit and lab sampling procedures are followed.



### On-orchard audits

202 completed in 2024.

Robust end-to-end in-person observation.



### Lab Audit

Zespri internal audit at start of each season.

Full process and quality systems audit.

### Recommendations



- Improve internal alignment on report timing, result sharing, and follow-up processes.
- Expand performance measurement to include more varieties.
- Evolve outlier analysis to include more granular, week-by-week data insights.
- Strengthen service provider audit, especially around blind sample accuracy.
- Address recurring orchard issues (e.g. long grass, maps, block IDs, and dogs).
- Clarify the importance of blind samples and communicate grower engagement boundaries.
- Reconfirm the sampling methodology according to the Quality Manual to eliminate any ambiguity in service provider interpretation.
- Consider additional, mid-season, short-notice audits supporting pre-season audits.



## Sampling and complaints

Getting better every year.



Compromised samples declining each year



Stop sampling events decreasing each year

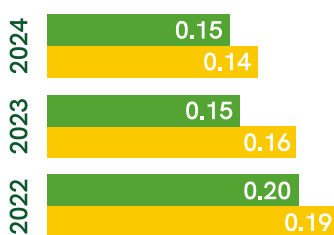


Grower disputes and complaints minimal

## Decreasing dry matter (DM) sample variability

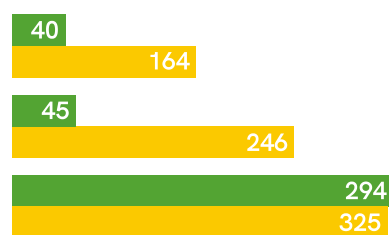
Dry matter sample outliers decreasing over 3 years.

Absolute DM difference



Key  
● Gold  
● Green

Outlier count



✓ Size of DM difference reducing year-on-year  
↓ Count of outliers reduced since 2022

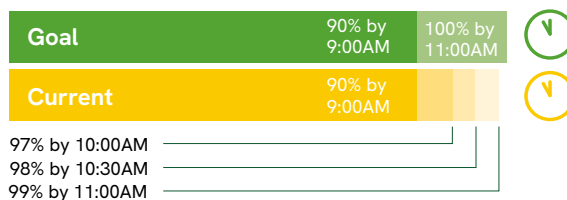
### Recommendations

- **Data release:** Consider shifting data release up to 1 hour earlier – based on improved performance.
- **Data and reporting:** Improve data collection and reporting practices to support better decision-making and transparency.
- **Review processes:** Align end of season agenda to ensure timing relevance. Ensure consistency and structure in all review meetings.



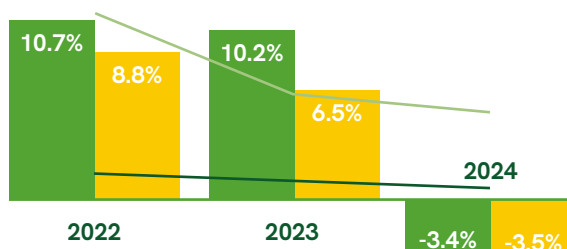
## Data release times

Improving year-on-year.



## Year-on-Year increases\*

Increases being managed in an inflationary environment.



Key  
● Services provider annual % increase  
● Grower cost annual % increase  
— Reporting charge annual % increase  
— MCS charges as % of all growing costs

**Service provider costs**  
+10% per year, but declined in 2024.

**Grower charges**  
Increased slower and decreased faster than service provider costs.

**Reporting charges**  
Decreasing as setup costs drop.

**Sampling vs growing costs**  
Decreasing as a share of total growing costs.

\*Testing costs were analyzed using weighted averages at the test type level.

### Recommendation

**Pricing:** Address remote region cost challenges to support fair and sustainable pricing for all growers.



## Engagement and reviews

Effective and good oversight across cost management and lab performance.

Key ● Pass ● Recommendations made



### Pre season reviews

- Align on season goals
- Performance metrics reviewed



### Fortnightly reviews

- Ongoing performance discussions



### Post season reviews

- Detailed results-based review
- All auditing data reviewed
- Industry concerns raised



### Annual pricing reviews

- Contract renewals based on market realities
- Costs managed effectively
- Zespri well-informed entering negotiations

# NZ supply overheads and costs

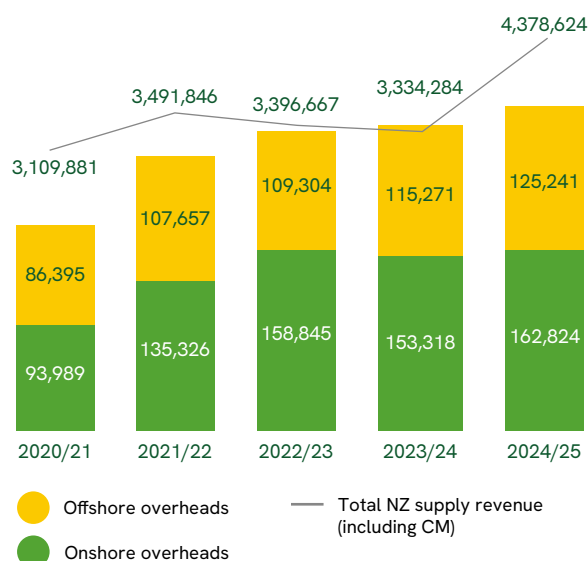
## Overheads increase, revenue increases faster

In 2024/25, the trays sold from New Zealand Supply grew by 42% to 193m. Total revenue, including collaborative marketing, grew by 31% to \$4.38 billion. To support this larger crop, overheads increased 7.3%. For New Zealand supply, this meant that onshore overheads increased 6.2%, while offshore overheads increased 8.6%.

Zespri allocates costs between segments, with the allocation between Offshore NZ Supply and ZGS being based on the proportion of NZ Supply vs ZGS volumes. The lower New Zealand Supply crop in 2023 resulted in ZGS taking a higher proportion of the segment cost allocation. In the 2024/25 financial year, there was a percentage increase in allocated costs as the increase in New Zealand supply crop meant that more costs were retained in Offshore New Zealand Supply in the 2024/25 FY, hence the percentage increase.



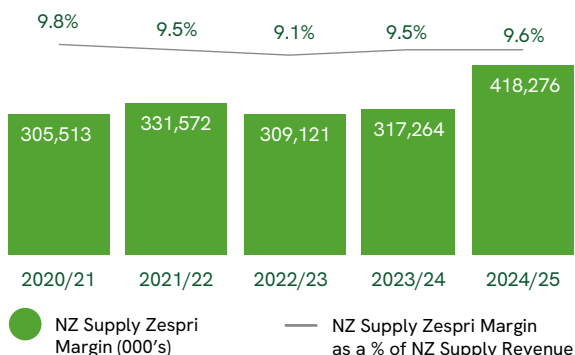
## Overheads and revenue (000's)



## New Zealand supply margin increases with larger crop

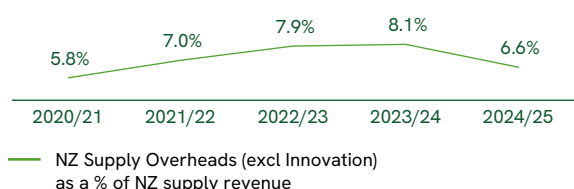
Zespri's margin rose 32% to \$418 million, up from \$317 million in 2023. This, as a percentage of New Zealand supply revenue (excluding other pool income), increased slightly to 9.6%, up from 9.5% in 2023/24 and 9.1% in 2022/23.

### NZ Supply Zespri margin



Taking into consideration that overheads increased slower than New Zealand supply revenue, New Zealand supply overheads as a percentage of New Zealand supply revenue reduced from 8.1% in 2023/24 to 6.6%. 2023/24's 8.1% was the highest New Zealand supply overheads as a percentage of New Zealand supply revenue over the last decade, and was preceded by 3 years of percentage increases.

### NZ Supply Overheads as a % of NZ Supply Revenue

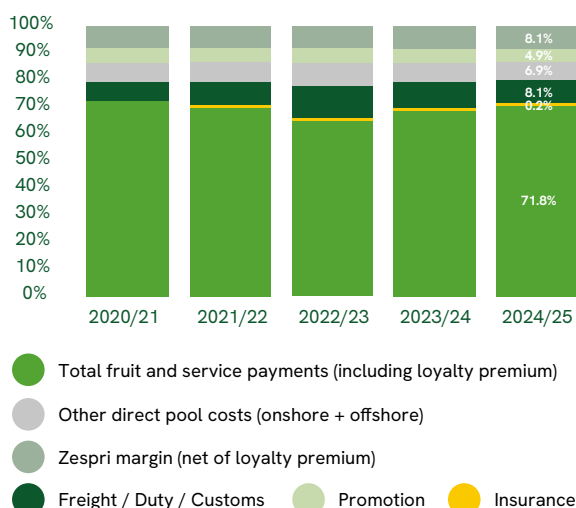


## Pools costs as a percentage of revenue

In the 2024/25 season, total fruit and service payments as a percentage of all pool revenue rose to 71.8%, marking a strong recovery and signalling improved returns to growers. Conversely, Zespri's margin (net of loyalty) as a percentage of revenue slightly dipped to 8.1% from 8.3% in 2023/24.

Freight, duty and customs costs reduced, falling to 8.1% from 9.3%. A large contributor for this decrease was New Zealand's Free Trade Agreement with the European Union which removed the tariff on New Zealand kiwifruit imports. Insurance costs normalised back to 0.2% after a spike in the 2023/24 season which was driven by the April hail event of that year, and the downward trend for promotional costs continued to 4.9%. Other direct pool costs, inclusive of onshore and offshore, also decreased to 6.9% of revenue.

### NZ supply pool costs as a % of pool revenue



# Employee productivity benchmarks

The following data includes Full Time Employees (FTE) only. Zespri was not able to provide data on Contractors, Consultants, and Casual employees. NZKGI will continue to request this information for future reports.

## Annual headcount change

The growth in headcount at Zespri has halved year-on-year for the past two years. Last year, headcount increased by 2.8% overall – balanced with 2.4% growth in New Zealand based roles and 3.1% offshore. There are now 937 employees, up from 912.

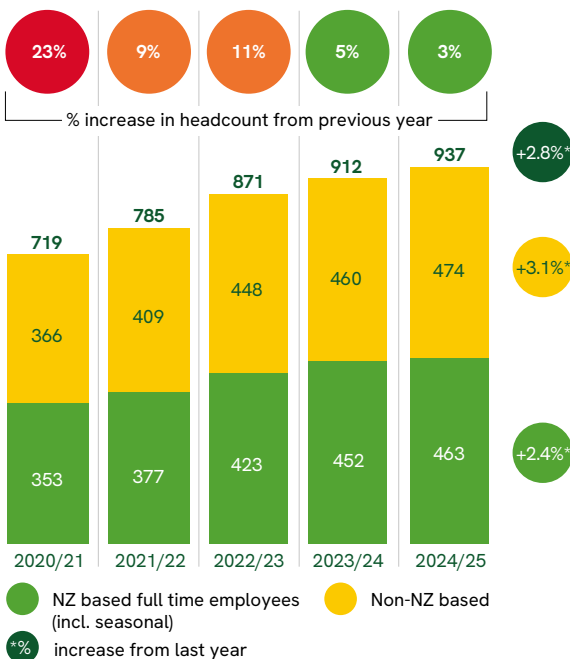
As reported last year, Zespri's approach to resourcing prioritised investment in quality management and sales functions and, guided by a 'sinking lid' policy under which non-critical vacancies remained unfilled, deliberately constrained recruitment within corporate services.

## Headcount by function

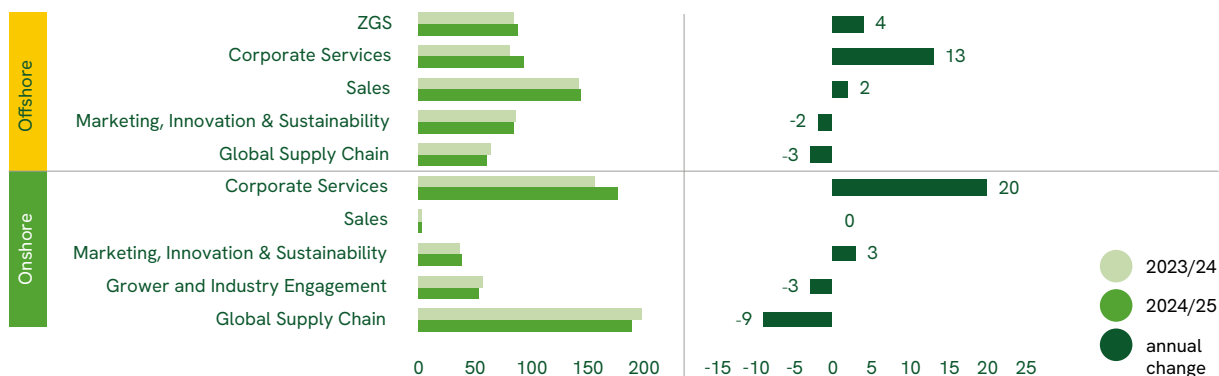
Zespri has commenced recruitment to address long-standing vacancies within corporate services following a recovery in revenue performance.

Organisational structure adjustments have been implemented, including the transfer of specialist digital and planning roles from operational business units into corporate services resulting in the increases to corporate services.

## Number of employees



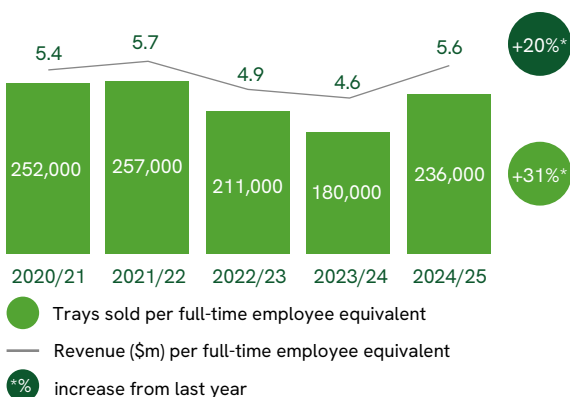
## Headcount by function and annual change



## Productivity per employee

The reduction in growth of the incremental headcount, combined with an increase in submitted trays and market return results, has halted the 3-year decline in productivity. Revenue (\$m) per full-time employee equivalent increased 20% to \$5.6 million, and trays sold per full-time employee equivalent increased 31% to 236,000.

## Global revenue per employee



The 'Number of employees' table reflects actual FTE at year end. FTE includes Permanent, Fixed Term, and Fixed Term Seasonal employees and excludes casual employees.

Trays sold and revenue includes non-NZ supply trays

# Zespri brand performance



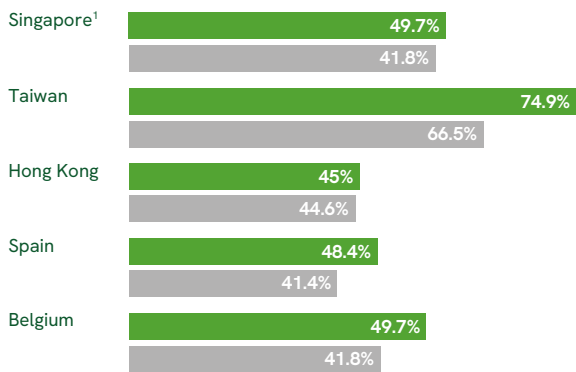
To maximise their results and efficiency of investments across the markets, Zespri created the Market Development Framework. This segregates Zespri's key markets by their stage of development which helps the businesses determine the appropriate level of investment. The visuals below report on the 15 core markets within Launch, Establish and Enhance.

## Household penetration increased 3.2%

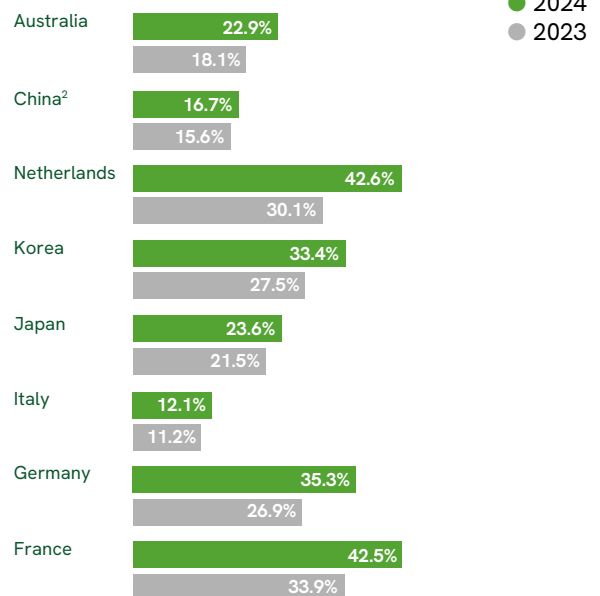
The Shopper Panel data below represents the percentage of households which purchased Zespri kiwifruit at least once in 2023 and 2024.

In 2024, overall household penetration increased 3.2%. This was driven by Taiwan, Netherlands, Germany and France. All markets increased household penetration with the exception of Vietnam<sup>3</sup>.

### Enhance



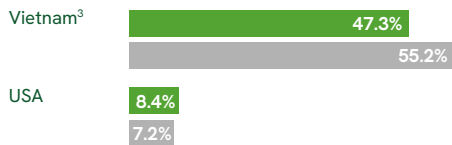
### Establish



### Key

● 2024  
● 2023

### Launch



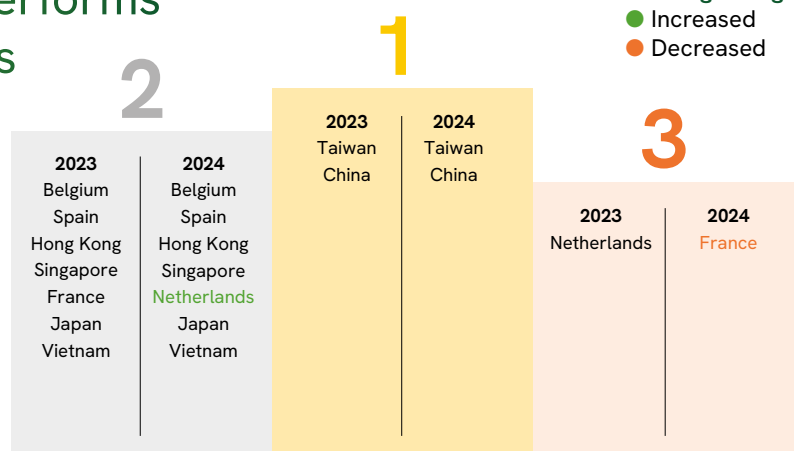
## The Zespri brand performs well in core markets

### Ranking change

● Increased  
● Decreased

Brand power determines consumers predisposition to choose the Zespri brand over other fruit brands. It is a measure for Willingness to Buy. To the right are the brand power rankings across 15 core markets (Kantar Brand tracker).

Zespri has consolidated its brand power position in 10 of the 15 core markets, continuing to be the number 1 or 2 ranked brand in 9 core markets.



Not yet in the top three: South Korea (4<sup>th</sup>), Australia (6<sup>th</sup>), and USA (9<sup>th</sup>)

<sup>1</sup>Since there is no shopper panel in Singapore, the metric here is based on an estimation.

<sup>2</sup>China includes Tier 1, Tier 2 and South and East Tier 3 cities.

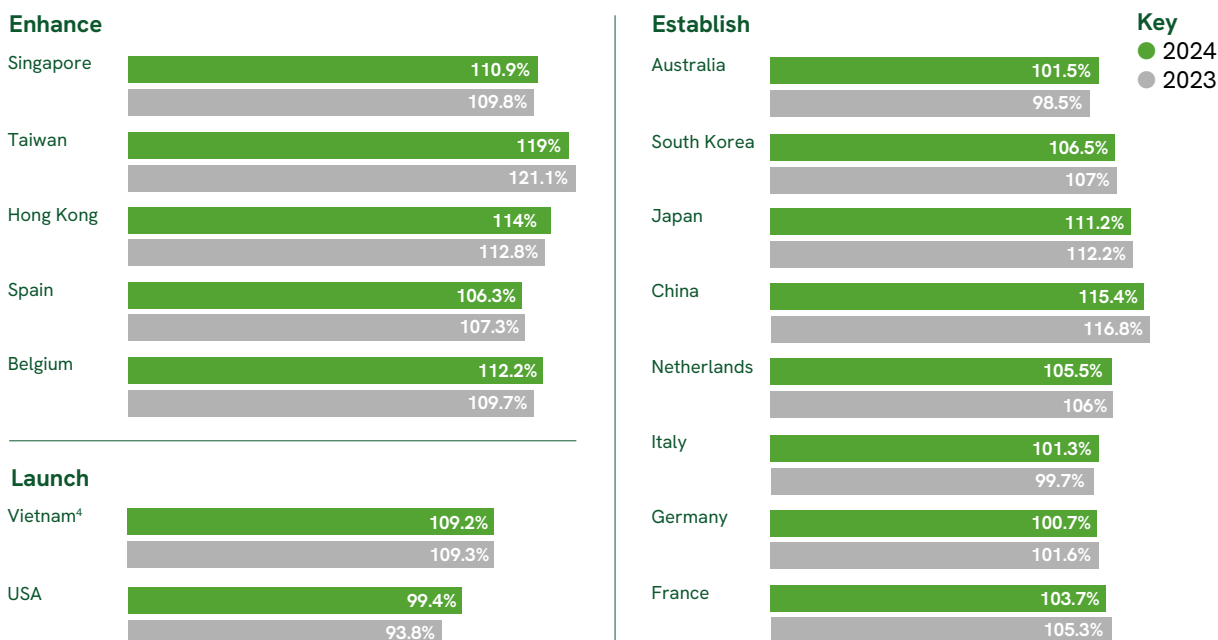
<sup>3</sup>Since there is no shopper panel in Vietnam, the metric here is based on estimation.



## Consumers are willing to pay more for the Zespri brand

The Kantar Annual BrandTracker data below measures a brand's ability to command a price premium. This is indexed to the category average, being 100.

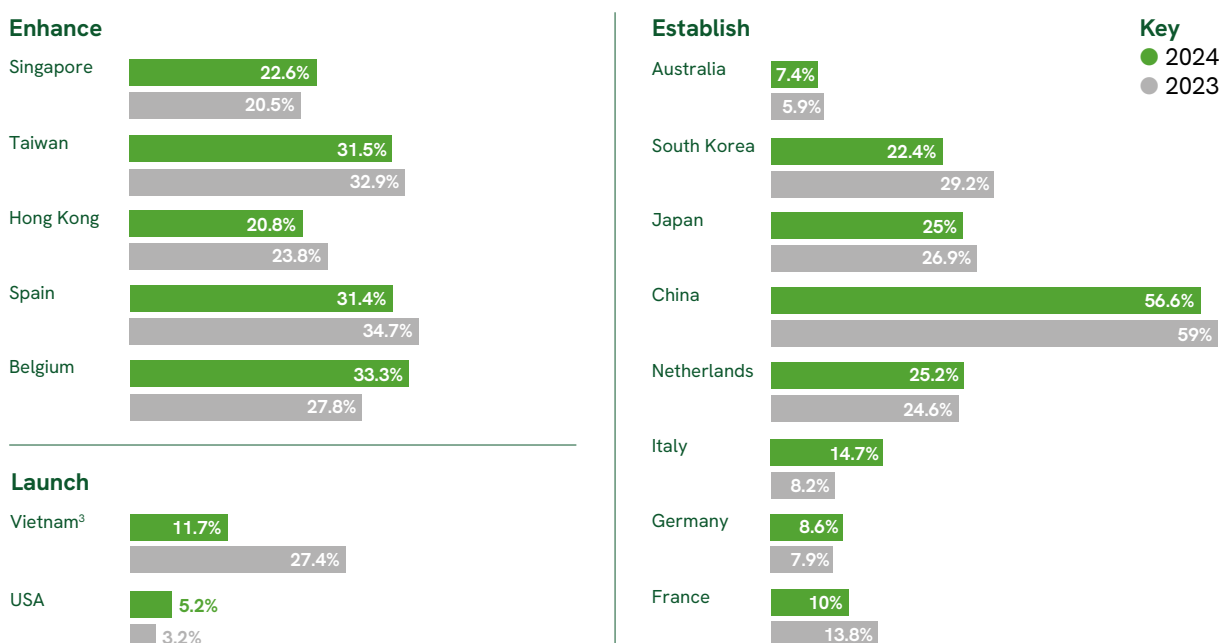
Zespri's 2024 index score of 109.3 across all core markets remains largely consistent with 2023's score of 109.8, maintaining its position as a premium brand. While there is some movement within markets, the overall premium position is maintained with all markets above 100, except the USA.



## Overall Zespri fruit brand awareness has declined

Unaided Awareness measures how well-known or top-of-mind a brand is among its target audience. The Kantar Annual BrandTracker data below indicates the proportion of respondents who mentioned Zespri without prompting.

Unaided awareness has declined 1.9% across core markets to 29.7%. There was an increase in 6 markets in 2024 and decrease in 9. The largest increases were observed in Belgium and Italy, the largest decreases in South Korea and Vietnam. China had a correction against the 2023 result (-2.4%) but continues an overall long-term trend of increasing brand awareness, being 43.7 in 2019.



<sup>4</sup>Data is for the five key cities (not national coverage).

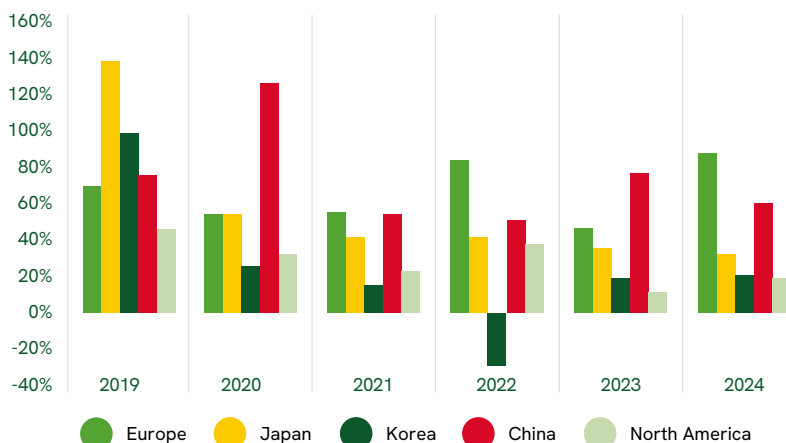
# Premium pricing

## Green premium pricing is increasing in some markets

Zespri increased its price premium in Europe, Korea, and North America compared to 2023. In China there was a decline in Zespri's price premium after a competitor improved their pricing through changes to their quality control and an updated packaging design. Zespri's price premium in Japan continues a long-term decline from the peak of 2019, retaining a 31% premium in 2024, but down from 35% in 2023. The decline has been driven by increased domestic fruit competition.

The long-term trends suggest that Zespri is experiencing an overall erosion in the baseline premium it has been able to command since 2019.

## Price premium vs competitors by region



2023 data for Japan and North America has been updated to standardise for previous inconsistency in size / weights adopted. In Korea, trends are influenced by limited competition, which was confined to 1-2 weeks in 2022 and 2023, but expanded to 5 weeks in 2024 with direct competition between domestic and Zespri fruit.

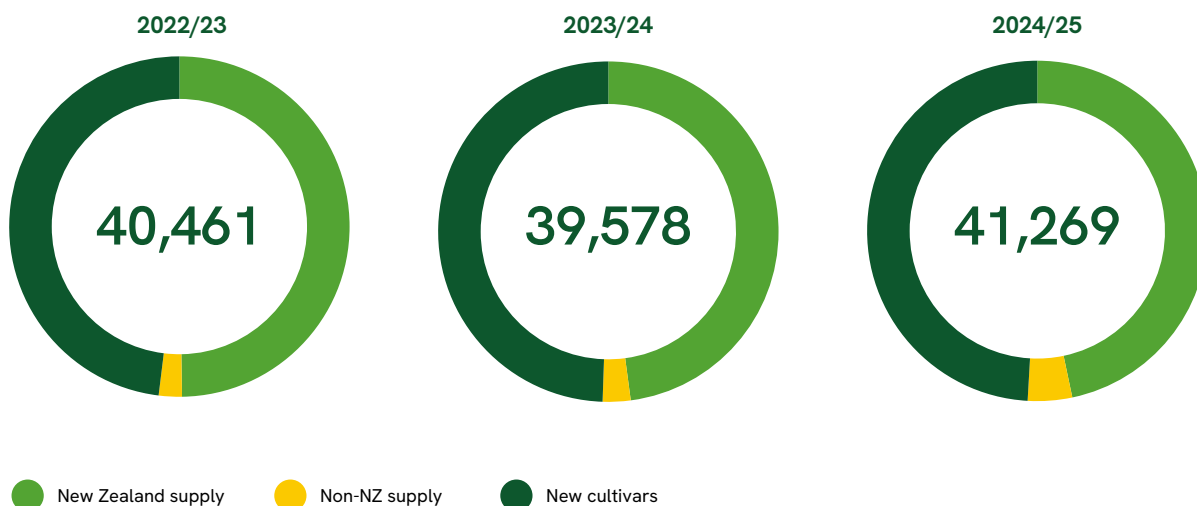
Premium pricing is the wholesale price premium achieved in market for a 10kg box of Zespri Green kiwifruit versus the next best kiwifruit competitor.

Historically, NZKGI has reported on Zespri's Green kiwifruit market premium to assess relative performance. For this report, we requested data across all varieties. Zespri declined, citing commercial sensitivities. While we were again provided Green data – as has been the case in the past – no further detail was shared. We will continue to advocate for broader transparency and remain open to presenting the facts, while respecting the boundaries of commercial confidentiality.

# Research and development

In 2024 total Research and Development (R&D) expenditure was \$41.3m, an increase of just over 4% or \$1.69m.

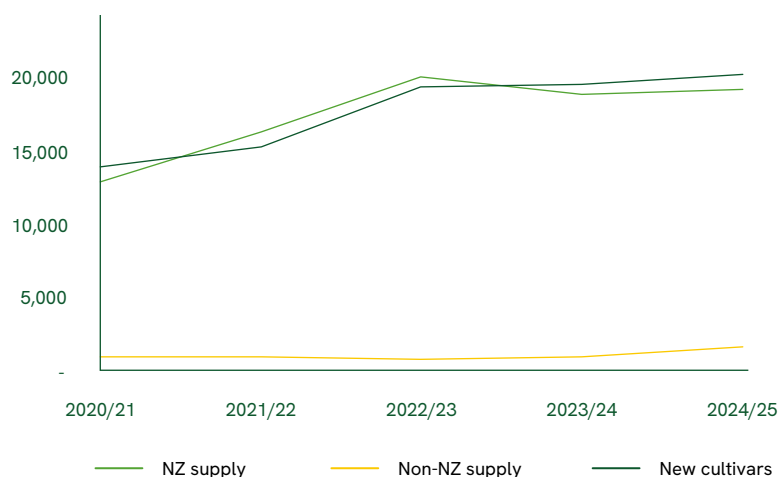
All Values Stated in \$000's



In 2024/25, New Zealand Supply and New Cultivars Supply received slight increases in investment from 2023/24 at +1.7% to \$19.3m and +3.5% to \$20.3m respectively. Non-New Zealand supply (ZGS) investment increased \$690,000 to \$1.74m.

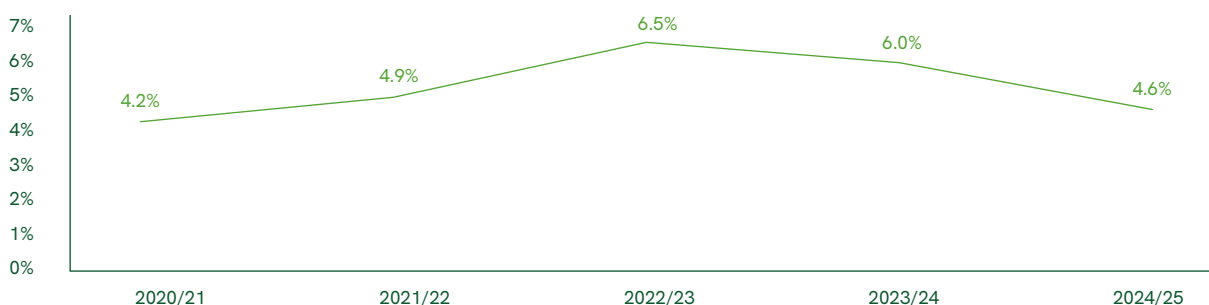
ZGS requires bespoke solutions tailored to each growing region as the growing environments are geographically and climatically distinct from each other as well as New Zealand. Further, the increases in investment were driven by innovation in productivity (including research into fruit drop), environmental sustainability, SunGold quality and postharvest storage, management of BMSB and KVDS, and tackling emerging risks from pests and diseases.

Research and development by segment (\$'000's)



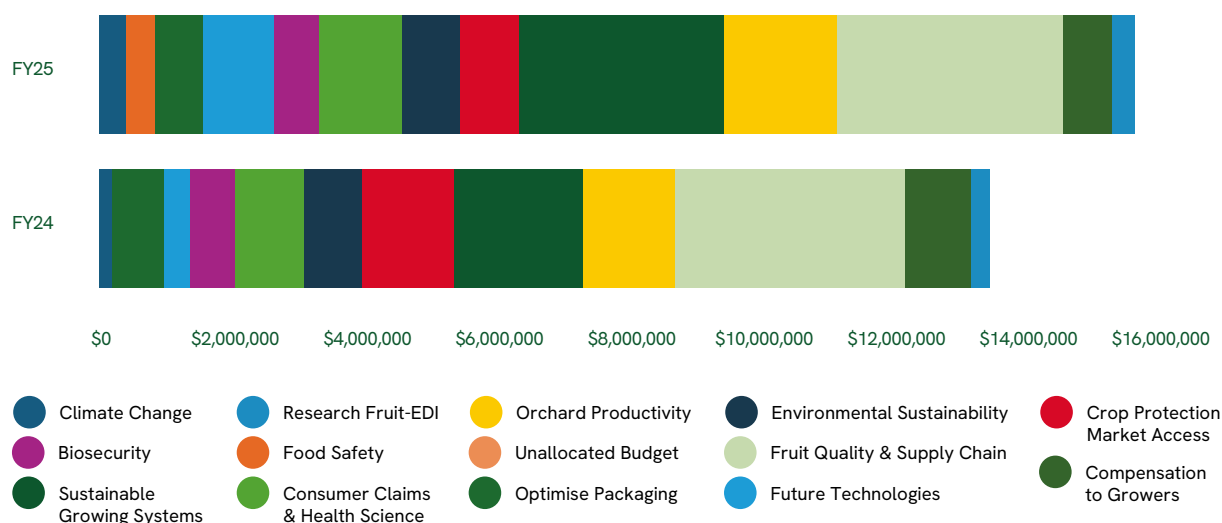
Despite the \$316,000 increase in New Zealand Supply R&D investment, this, as a percentage of NZ supply margin, reduced to 4.6% in the 2024/25 season. This is not a reflection of reduced investment into R&D, but rather the margin increasing faster (+31.8%) than the total R&D spend for 2024/25 (+4.3%).

NZ supply R&D as a % of NZ supply margin



NZ supply innovation funding

NZ supply funded innovation activities to the sum of \$15.6 million<sup>1</sup>. This was an additional \$2.2 million or 16% more than the previous year.



<sup>1</sup>This excludes overheads and will differ from the values in the pie charts to the left with overheads included.

### Areas of increasing innovation spend

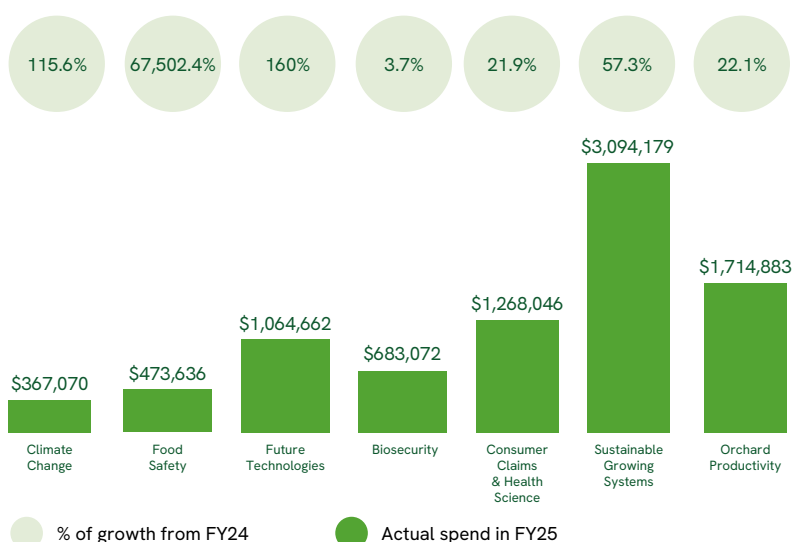
**Climate Change** activities focus on the continuation of Biochar field work, while supporting the CSRD (Corporate Sustainability Reporting Directive).

**Food Safety** projects obtain funding on a case-by-case basis, and the change in 2024 was driven by Cyclone Gabrielle, a Listeria recall and Crown Garnett initiatives.

**Future Technologies** projects obtain funding on a case-by-case basis, with the change from FY24 driven by on-orchard harvesting solutions as well as data driven supply estimate and crop optimisation tools.

**Biosecurity** remains an ongoing focus, with initiatives around optimising early detection of new pests and pathogens, the biennial surveillance for detecting new forms of Psa and non-NZ Psa biovars while developing resistant rootstocks for Ceratocystis and other sustainable control options.

#### Total Investment and FY25 % increase from FY24



**Consumer Claims & Health Science** focuses on the development stages of social cause research and the continuation of Health Nutrient Testing.

**Sustainable Growing Systems** focuses on developing resilient high productivity and sustainable orchard systems, and higher investment driven by solutions being in the development and validation phases.

**Orchard Productivity** has initiatives across a number of fruit groups and each initiative prioritises maintaining or enhancing sustainability.

- Hi-Cane alternatives focus on understanding the fundamentals of budbreak, specifically dormancy and dormancy release mechanisms.
- Red19 continues its focus on productivity for both size and volume, without sacrificing storage quality.
- Gold focuses on productivity and extending the harvest window.
- There remains an ongoing focus on improving HW productivity, both size and volume without sacrificing storage or quality.

### Areas of decreasing Innovation spend

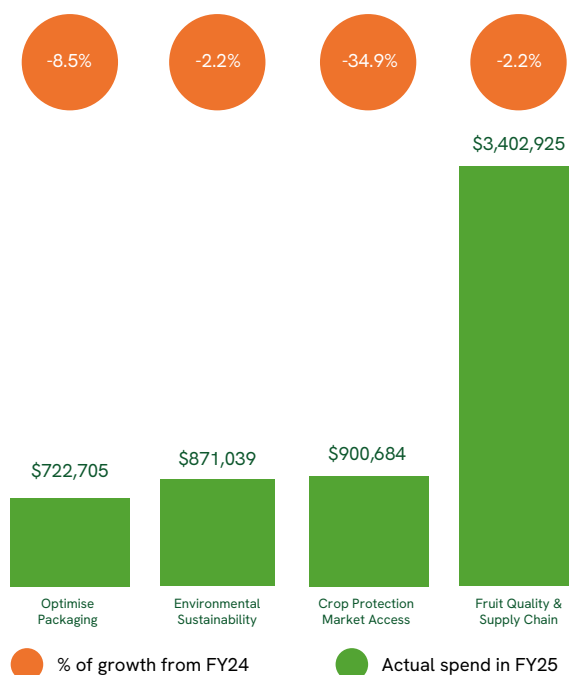
**Optimise Packaging** projects obtain funding on a case-by-case basis, where the previous focus has been on packaging redesigns that engage the consumer while reducing complexity, material use, and carbon footprint.

**Environmental Sustainability** is a slight reduction from FY24 with focuses on NZ irrigation trials network, and a study into kiwifruits' impact on the quality of location waterways.

**Crop Protection Market Access** focuses on the development of management options to reduce production losses as a result of diseases as well as to maintain market access. While the pest mitigation program remains a focus, the disease mitigation priorities have been reviewed where investment is based on individual projects.

**Fruit Quality & Supply Chain** received similar investment from FY24 and has some crossover with Orchard Productivity, particularly around the Gold harvest window. Red19 initiatives focused on inventory management support and improving the storage life.

#### Total Investment and FY25 % decrease from FY24





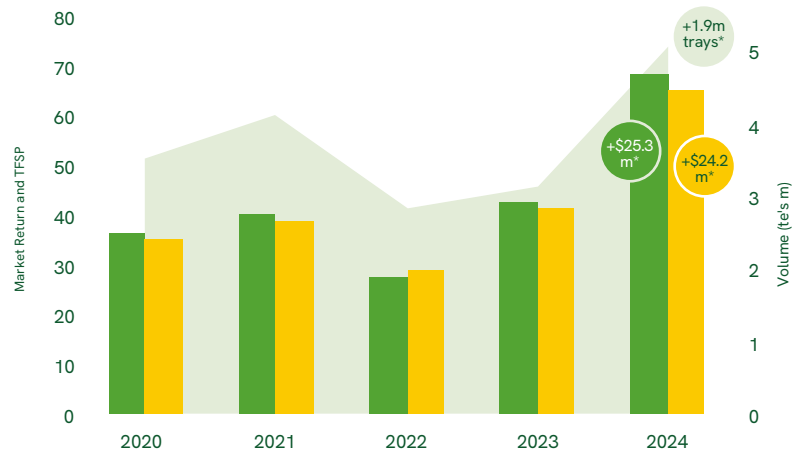
# Collaborative marketing

## CM volumes and returns increased in 2024

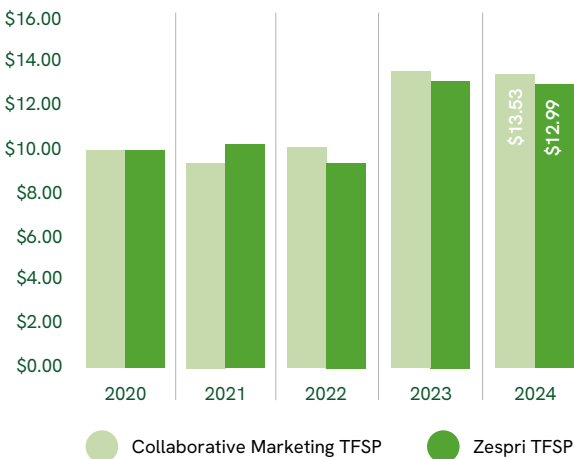
In 2024, Collaborative Marketing (CM) saw an increase of over 59% in volume, market returns, and total fruit and service payments. 5 million trays (up from 3.1m trays) delivered a market return of \$67.9m, an increase of \$25.3m on 2023.

- Volume (TE m)
  - Market Return (\$m)
  - TFSP (\$m)
- +\* increase from last year

## Collaborative marketing – volumes & returns



## Total Fruit and Service Payments per tray



## CM Total Fruit and Service Payments (TFSP) perform consistently better than Zespri

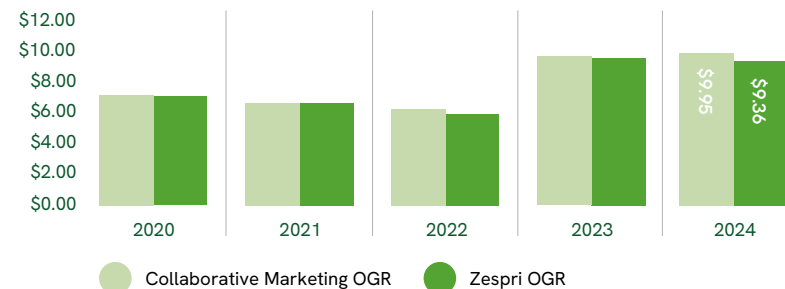
2024 Total Fruit and Service payments per tray decreased \$0.03 or 0.2% compared to the previous period. Collaborative Marketing TFSP performed 4.2% better than Zespri TFSP continuing a three-year trend of slightly stronger performance by Collaborative Marketing.

The total amount by which Collaborative Marketing programmes have exceeded comparative Zespri TFSP (Total Fruit and Service Payments) for the 25 years up to and including 2024-25 is \$8,838,144.

## CM Orchard Gate Return (OGR) per tray perform consistently better than Zespri

In 2024, OGR per tray rose by \$0.25 or 2.6% to \$9.95. Again, Collaborative Marketing slightly outperformed the Zespri OGR per tray by 6.3% – extending a consistent three-year pattern of slightly higher OGR compared to collaborative marketing.

## Total OGR per tray



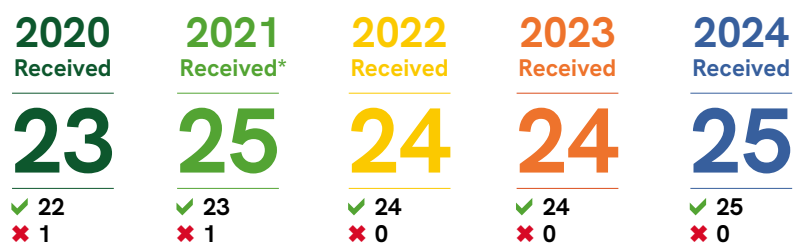
## Approvals and declines

All collaborative marketing programmes received in 2024 were approved by Kiwifruit New Zealand.

- ✓ Approved
- ✗ Declined

\*One withdrawn

## Net applications received (less withdrawals)



# Long range forecast

The following presents the Class 1 season estimate calculated by Zespri in 2019 (up to 2024) and its accuracy compared to the actual submitted trays of each year. Estimates from 2025 onwards are based on the long-range forecast as calculated in 2024.

The purpose of the long-range estimate is to facilitate future planning of market allocations over the medium term by understanding the supply-demand balance. This information helps determine future license release volumes to ensure demand remains ahead of supply.

## Gold

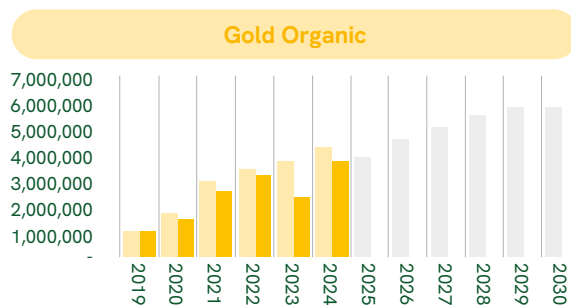
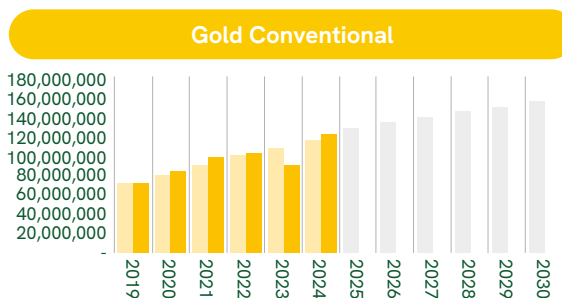
While acknowledging the adverse weather challenges of 2023 which affected all fruit groups, the industry has generally outperformed the Gold Conventional long-range forecast set in 2019 each year. However, Gold Organic has not met the expectations set in 2019, leading to a forecast reset from 2025 onwards. Since no organic license releases have occurred since 2021, Gold Organic estimates are now driven by organic conversions and ongoing yield improvements. With relatively low producing hectares through to 2022, small variations

in the rate at which new areas came into production significantly impacted the overall volume estimates.

2023 was a challenging year for both growing and forecasting. Above-average temperatures in winter and spring 2022 resulted in minimal winter chill hours, leading to lower flower numbers in spring. Additionally, an early October frost, cyclones Hale and Gabrielle, and the mid-April hail event in Te Puke further reduced the crop size to 134 million exported trays.

The two graphs below are actual submit against 2019 long range forecast. 2025 onwards is the 2024 long range forecast.

● Estimate as made in 2019 ● Actual  
● 2024 long range forecast



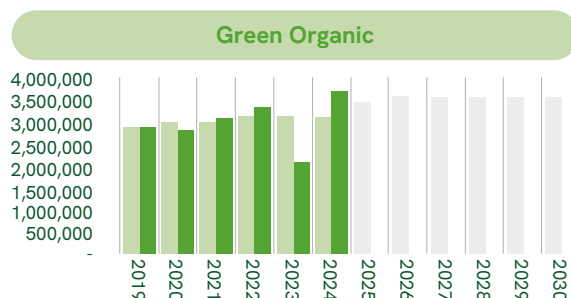
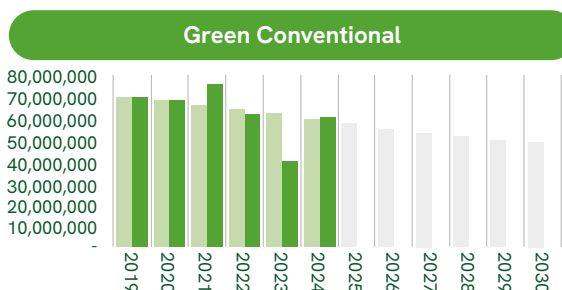
## Green

The long-range forecast for Green Conventional has largely met expectations, with updated forecasts following a similar linear trend. Green Organic has performed within the 2019 long-range expectations, although its forecast shows a different trend

compared to conventional, with flatlined future expectations slightly ahead of historical actual submit. While the long-range decline in Green Conventional is driven by conversions, these are less prevalent in Organic.

The two graphs below are actual submit against 2019 long range forecast. 2025 onwards is the 2024 long range forecast.

● Estimate as made in 2019 ● Actual  
● 2024 long range forecast



### Sweet Green and Red

Our observations indicate that long-term trends for Sweet Green and Red are consistent with expectations.

Across all fruit groups, the long-range forecast from 2025 onwards assumes an additional average of 5.8 million trays per year for the next five years<sup>1</sup>.

# Seasonal forecasts

Zespri produces an Official Supply Estimate (OSE) for the season in November, January (Red), February, March, April, and May (for Green only). The accuracy of the OSE for each season is measured against the February forecast, with a target accuracy of +/- 5% for Gross Submit vs. Gross Estimate and +/- 1.5% by size for each size.

The OSE is calculated using data from Zespri's

Digital Orchard Scanning (DOS) program. This has increasingly replaced manually gathered data for fruit density and weight estimation, however post-harvest supplied monitoring data remains a valuable dataset for comparison. The OSE is then peer-reviewed by a post-harvest technical group and Zespri for submission to the Zespri Board and then wider industry.

## Gold

Gold Conventional has largely performed within the allowable accuracy tolerance, although the February estimate has often been slightly higher than the actual submit in most years. In 2022, the actual submit was 14% lower than estimated in February. There were several factors that made the 2022 estimates challenging, including a higher than expected fruit density estimate in January.

Gold Organic has had fluctuating performance but generally stays within the KPI range, except for 2021 which was 15% higher than estimated in February. This was mainly driven by more producing hectares coming into production than forecasted. 2025 is once again expected to be a record year for Gold Organic, again driven by the growth in producing hectares.

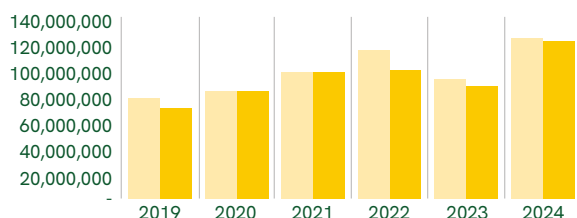
## Green

Green Conventional actual submit have on average fallen short of February estimates. Accurately estimating density at this time is inherently challenging due to orchard fluctuations in the lead up to harvest, largely driven by the estimate timing being produced before cosmetic and crop load thinning occurs. Furthermore, ongoing cutovers have made it difficult to maintain a clear understanding of Green producing hectares from year to year.

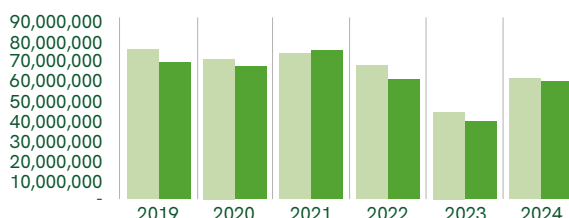
Green Organic has followed similar patterns, performing on average lower than estimated in February. The Organic category is challenging to estimate with different on orchard pressures affecting fruit density.

### Actual submit against the February forecast by year

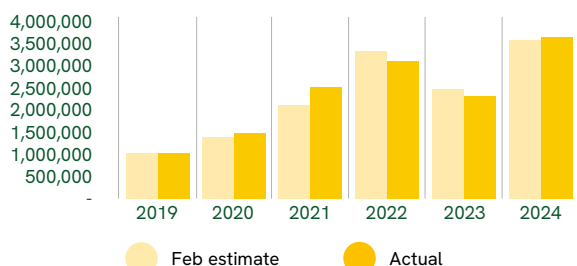
#### Gold Conventional



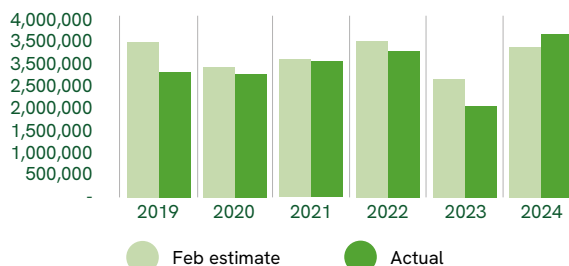
#### Green Conventional



#### Gold Organic



#### Green Organic



## Sweet Green

Except for 2019, the Sweet Green forecast has been very accurate year-to-year, now sitting at approximately 110,000 export trays per year.


## RubyRed

Since becoming commercial in 2022, Red has experienced a learning curve with varying results over the past three years.

<sup>1</sup>Subject to future license releases and decisions regarding Non-Standard Supply sizes. <sup>2</sup>This excludes HE where the supplier estimate is used.

# Demand continues to outgrow supply

Each year, Zespri has a process in which they review the market demand outlook for each product in the Zespri portfolio to account for global trends and macro changes. Zespri's Global Strategy team works with its Global Sales Excellence, Market Research, Marketing, and Product Portfolio teams to guide regional teams in submitting 10-year market demand forecasts; noting the latter five years are more directional given the increase in uncertainty the longer Zespri look out.

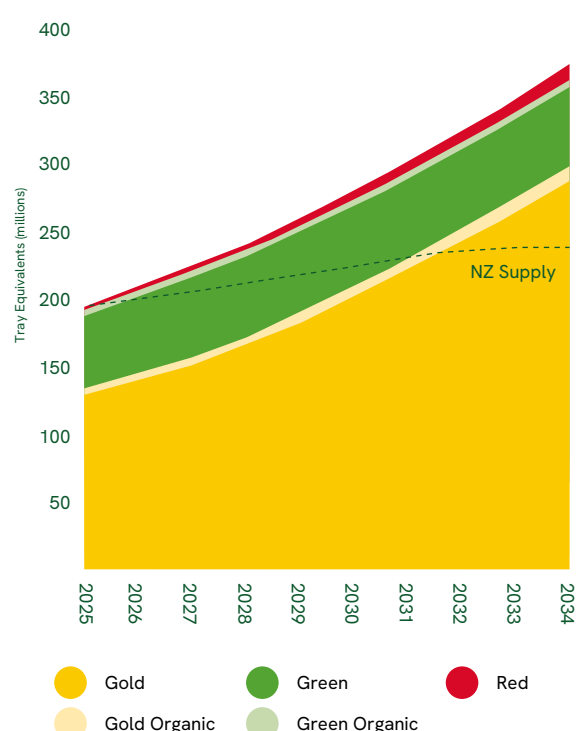
 **Unconstrained demand is the maximum demand the market can deliver whilst achieving minimum base market returns.**

The market submissions capture, among other inputs, unconstrained demand, pricing, costs, and promotional inputs and are used to inform the view on future returns at both a market and global level.

The Global Strategy team then compares these submissions to the supply outlook, and presents findings to the Zespri Board and Executive team to inform strategic decisions on license release volumes and forecast grower returns.

Zespri reports that the market shows strong demand, indicating that for the 10-year forecast, this demand will continue to exceed supply.

## Global demand versus NZ supply



### Green Conventional

- Hayward Conventional supply is expected to decline over the next five years as growers transition to other varieties.
- While demand remains static at sustainable OGRs, Zespri is working to bring through a green PVR cultivar to improve grower returns and consumer demand.

### Green Organic

- Demand is forecast to increase from 3.6 million trays in 2026 to 5.1 million by 2034.
- NZ supply to hold at current levels of 3.5 million trays.

### Gold Conventional

- Zespri is forecasting SunGold Conventional demand to grow by between 11-16 million trays per year through to 2029.
- The 400 ha license release in 2025 sits comfortably within the agreed range of 350-500 ha, balancing the need to capture untapped demand while remaining mindful of ongoing industry capacity.

### Gold Organic

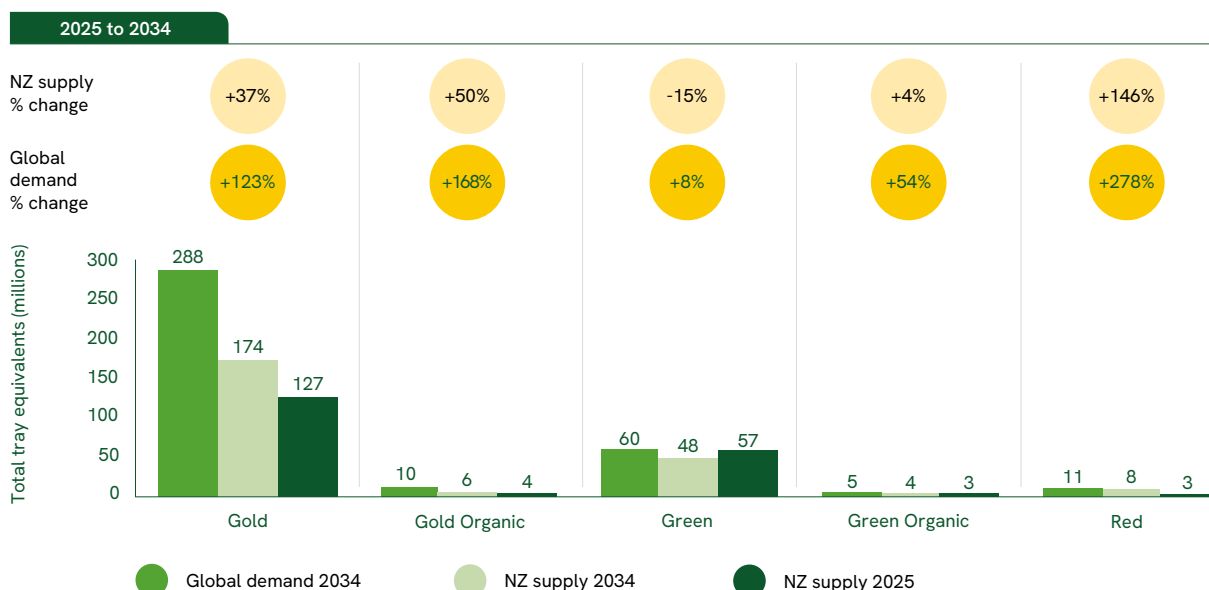
- Originally driven by the pandemic, growth of the general organic category has now slowed in the key organic markets around the world as consumers change their purchase behaviour.
- Despite this, Zespri is expecting strong growth and a demand estimate increasing by 500,000 to 700,000 trays per year.

### Red

- 1.5 million trays of RubyRed were delivered in 2024 and Zespri expect to supply around 7.8 million trays by 2029/30, and to open up new markets during in the same time period. This volume is dependent on non-standard supply and license release decisions.
- Zespri innovation programmes are underway to improve the existing and future RubyRed cultivars to address current challenges on orchard, supply chain and in market.

*Following a review of the 2024/25 season, Zespri did not release a RubyRed licence in 2025.*

## 10 year NZ supply forecast against unconstrained demand



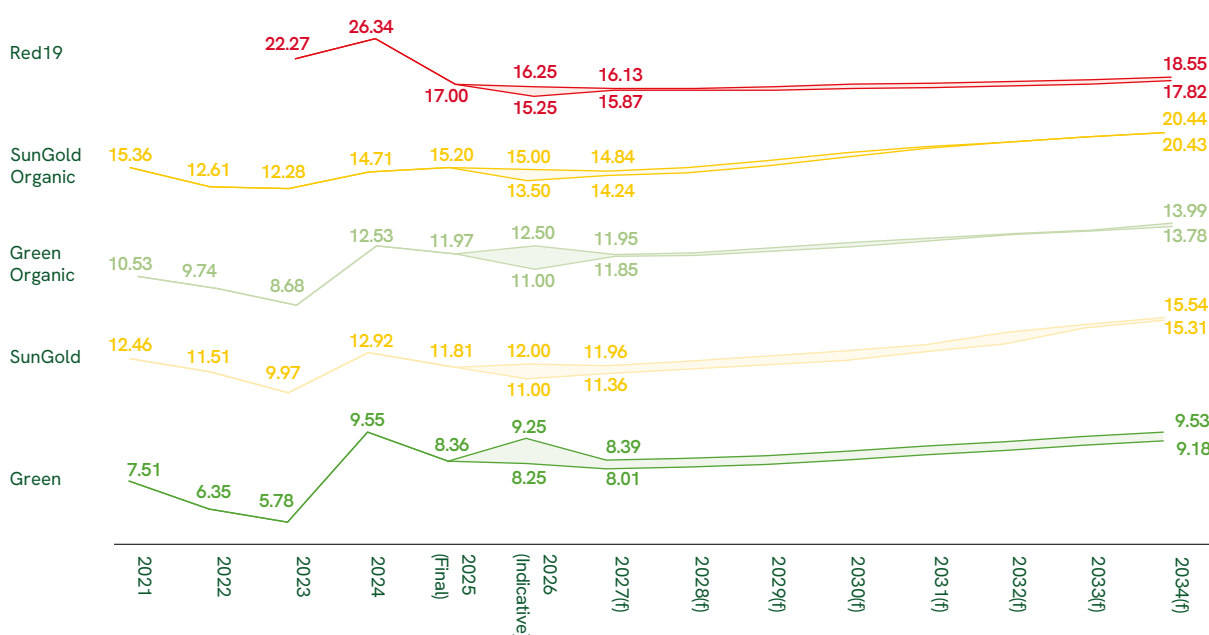
**In summary, global demand is forecast to increase by 92% over the next 10 years, while NZ supply will increase by 23%**

The NZ kiwifruit industry does of course face both supply and demand risks. On the supply side, risks include labour and infrastructure capacity constraints, weather events and cost pressures. Demand risks such as changing consumer preferences, economic fluctuations, intensity and consolidation of competition,

capacity constraints, and potential disruptions from new plant varieties have been considered. For a full review of the supply and demand risk, refer to the Zespri 5-Year Outlook on Canopy.

Considering the aforementioned risks, and on the back of an overall positive demand outlook, the below summarises the OGR forecast ranges.

## Long range OGR forecast





# Departure forecast: Shipped vs plan

The February departure plan is deliberately ambitious by nature as Zespri's focus is on maximising the value that early sales brings, as well as acknowledging the higher costs of quality and cool storage associated with late sales. To achieve this goal, aggressive shipping plans are developed to ensure sufficient capacity, whilst recognising the uncertainty surrounding fruit availability at the time of planning.

The departure plan is influenced by three primary factors at different times of the year. First and foremost, the focus is getting fruit to market as quickly as possible, primarily to capitalise on early sales opportunities, and secondly to build optimal stock levels in market. Following that, the departure

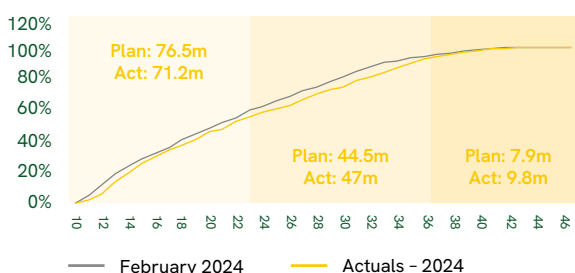
plan aims to move sufficient volumes by Week 23 to avoid capacity constraints in New Zealand. After Week 23, the focus shifts to simultaneously fulfilling market demand and maintaining optimal stock levels. A slowdown in shipping against the departure plan is typically a product of higher than optimal stock levels or slower than forecast sales.

Zespri aims to complete its shipping in line with the February departure plan, focusing on major markets towards the end of the season. Shipping capacity constraints are less of an issue later in the season, with lower overall volumes being shipped. Whilst the goal is to wrap up shipping as planned, there remains flexibility to make exceptions that benefits growers financially.

## Gold

In 2024, the plan was to have 59% of all trays shipped by Week 23. 56% was achieved. This target is based on the February plan, which packhouses use for expected coolstore movement. The mid-season objectives focus on managing inventory levels, addressing missed sales opportunities (if any) which can lead to higher stock levels. Efforts to reduce stock levels to optimal levels which caused deviations from the plan can be seen in ISOs 23 to 26 and 29 to 32 below. A late-season push in ISOs 32 to 36 resulted in 5.6 million trays being shipped and was due to a rise in the Gold Conventional supply estimate, from 124 million trays in February to 133 million. This volume was acknowledged in subsequent departure plans.

### Percentage shipped against February and actual departure plan: Gold

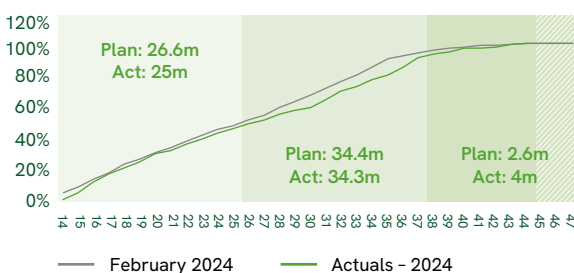


## Green

42% of Green was targeted to be shipped by Week 23. 39% was achieved. This target is also based on the February plan.

The goals for the mid-season departure forecast are similar to those for Gold, focusing on reducing overstocked markets and maintaining optimal stock levels, most notable in in ISOs 26 to 30 and 34 to 35. In ISO 43, a significant 1.1 million trays more than planned was shipped. This additional volume utilised a charter vessel to finish the Green season instead of container volumes spread over more weeks. The plan to finish by Week 44 was largely achieved with only a small volume of 22,000 trays exported after this time to late container markets extending the season to Week 47.

### Percentage shipped against February and actual departure plan: Green



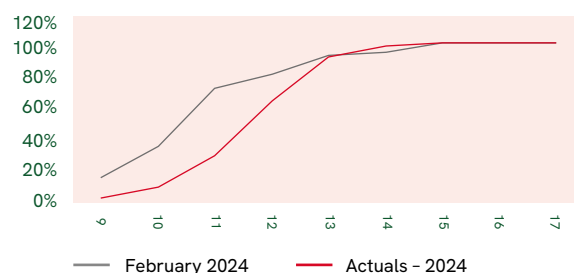
## Red

For Red, the season start was delayed by a week due to maturity, but shipping was in line with this delay, with 100% of fruit shipped within the two week ship-by rule.

## Sweet Green

No issues reported.

### Percentage shipped against February and actual departure plan: Red



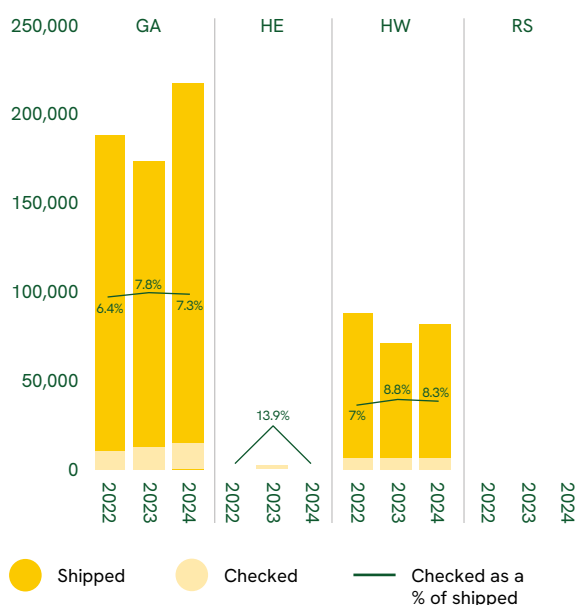
# Quality checking

## More volume met with more checking

### Charters

There was a 23% increase in shipped pallets using charters from 2023 to 2024 and this was met with a 14.5% increase in pallets checked. At 22,582 pallets checked, this was 7.5% of all pallets shipped. This was slightly less than 2023 where 8.1% of all pallets on charters were checked. Gold and Green checked pallets were 7.3% and 8.3% respectively of all shipped pallets which were both slightly less than what was checked in 2023.

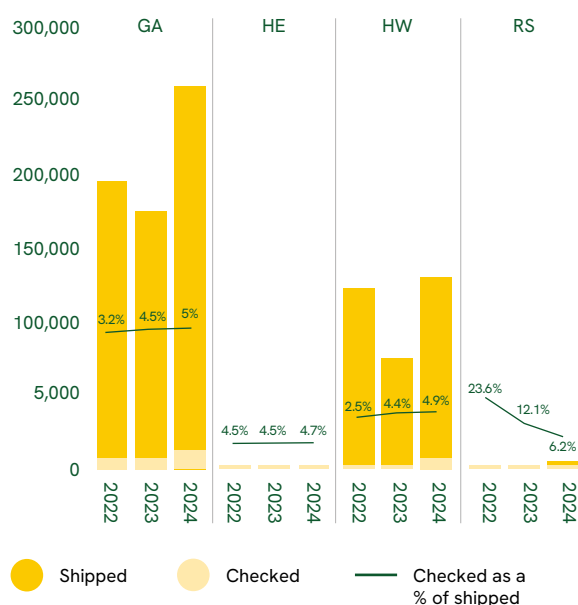
#### Shipped pallets by variety (charter)



### Containers

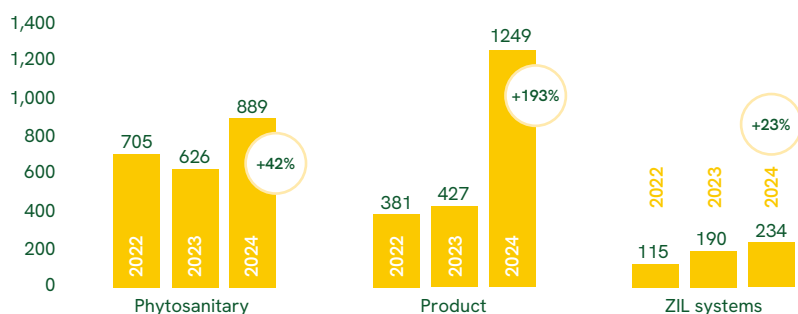
There was a 58% increase in shipped pallets using containers from 2023 to 2024. This was met with a 76% increase in pallets checked or 20,200 pallets in 2024 from 11,499 in 2023. There was a 67% increase in Gold pallets checked, 94% increase in Green pallets checked and a 125% increase in Red pallets checked. Checked pallets as a percentage of all shipped pallets increased slightly across Gold, Green and Sweet Green with Red correcting back to 6.2%, however still slightly more checked than the other varieties.

#### Shipped pallets by variety (containers)



### Audits completed by type and year at post-harvest facilities

Presence and audits at post-harvest facilities increased significantly in 2024. There was nearly a three-fold increase in product audits and double digit growth in phytosanitary and system audits completed by the Zespri teams.



## Temperature monitored containers

We sought to collect temperature data for this part of the report, however, issues with data availability limited our capacity to evaluate its overall performance.

# KiwiStart shipping

## KiwiStart % shipped by – Onshore

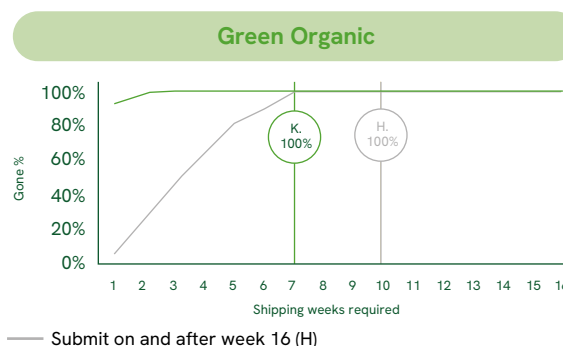
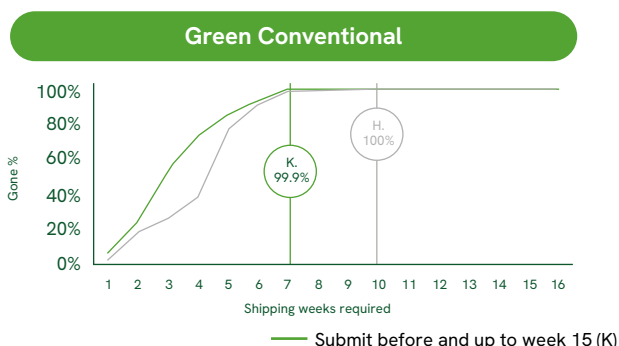
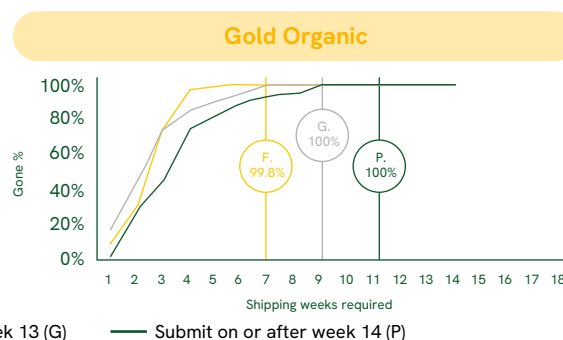
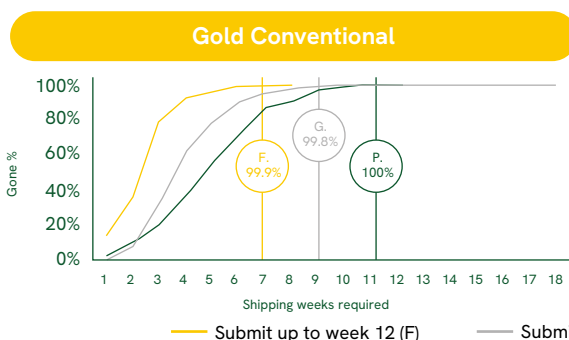
KiwiStart is governed by a "Ship by Rule" where an assigned storing characteristic determines the specific weeks by which the different submit weeks of KiwiStart must be shipped by, as summarised below.

Across all fruit groups and storing characteristics, over 99% of all KiwiStart was shipped by the target ship by week in 2024. This follows previous years' trends where this performance has been very consistent.

The below summarises by Fruit Group where all storing characteristics have been equalised to from when they were first shipped. This shows the weeks utilised to ship all KiwiStart product and the achievement against the KPI.

The x-axis represents weeks (total shipping weeks), the y-axis represents the gone % and the vertical line indicates relative gone by target and percentage achieved.

Variety	Storing Characteristic	Submit By	Ship By
Gold	F	Up to week 12	Week 17
	G	Week 13	Week 21
	P	Week 14 and after	Week 24
Green	K	Up to week 15	Week 20
	H	Weeks 16-19	Week 24



## KiwiStart % delivered by – Offshore

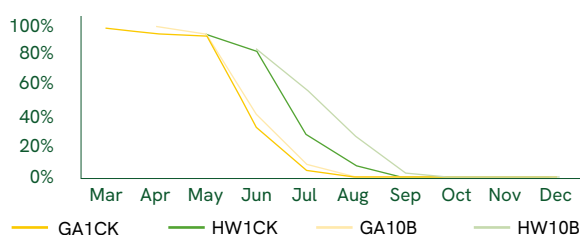
The following shows the proportion of KiwiStart fruit that is sitting in in-market<sup>1</sup> inventory by last Sunday of the month (the last full ISO week). This is represented as a percentage of all Zespri NZ Supply offshore inventory.

For both Gold varieties, the drawdown to May is slow which reflects that the markets only had KiwiStart available at the start of the season. For conventional and organic, by June there is 42% and 34% KiwiStart trays of total available volume respectively remaining, with only 1% left by August.

Both Green Conventional and Organic were drawn down at similar rates, with Organic starting later in the season. By August there was 27% of organic and 8% of conventional KiwiStart fruit left in market and all but gone in September.

On average from arrival, all KiwiStart trays are taking approximately four months to exit the market, with Gold Conventional taking slightly longer.

## KiwiStart in-market inventory balance by month and fruit group



<sup>1</sup>Storing characteristic not available for Japan inventory data. This market has been removed.

# Claims as a % of deliveries



Quality claims as a % of deliveries is an internal Zespri supply chain metric based on claimed trays submitted<sup>2</sup>.

A quality claim is a credit that has been issued to a customer following assessment and acceptance of a formal quality claim.

## Gold

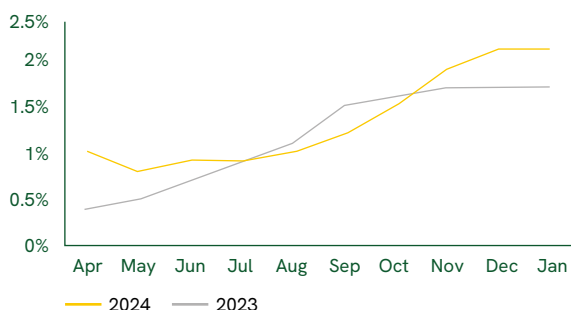
For Gold Conventional, 2024 was a slightly worse result than 2023 ending the season at 2.1% compared to 1.7%, despite a mid-year recovery.

Gold Organic had a solid result finishing the season (also at a similar time as in 2023) at 1%, compared to 1.5% last year.

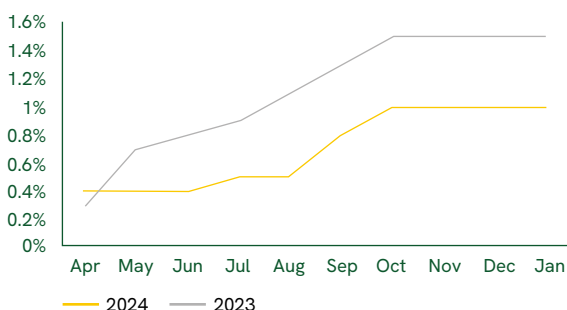
### Quality claims data for the 2024 and 2023 season by fruit group\*

Cumulative submitted quality claims (TE) as a % of cumulative deliveries (TE).

#### Gold Conventional



#### Gold Organic



## Green

The late season challenges experienced by the industry in the Green fruit groups need to be referenced correctly against 2023, which was a season characterized by less supply, therefore a shorter selling season. Green Conventional ended the season with 3.8% of claims, nearly 3 times that of 2023, while Green organic was double 2023's result of 1.7% finishing at 3.4%.

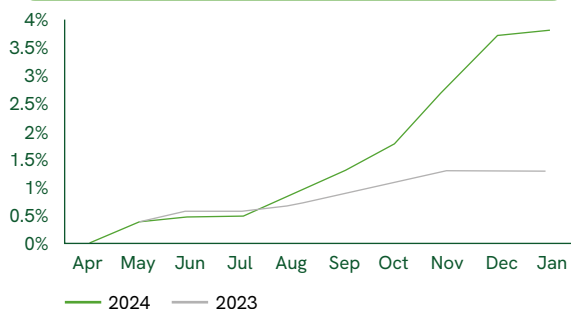
Early season Green kiwifruit was noted as being better quality than in recent years. However, from

week 36 onwards (early September), offshore defects increased. This was driven by more soft fruit, possibly exacerbated by Storage Breakdown Disorder (SBD). The increased volume of defects was compounded by the smaller fruit profile, creating supply and demand challenges. As a result, smaller sizes had longer in-market inventory times which resulted in quality claims for smaller-sized fruit nearly doubling those of larger sizes as a percentage of deliveries.

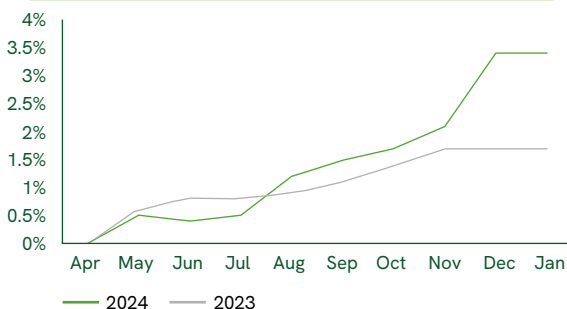
### Quality claims data for the 2024 and 2023 season by fruit group\*

Cumulative submitted quality claims (TE) as a % of cumulative deliveries (TE).

#### Green Conventional



#### Green Organic



<sup>2</sup>See Definitions.

\*Percentages are based on cumulative data up to the last Sunday of each month, and 2023 comparatives use same ISO week-to-month mapping as 2024

# Foreign exchange program benefitting growers

## Treasury department in Zespri

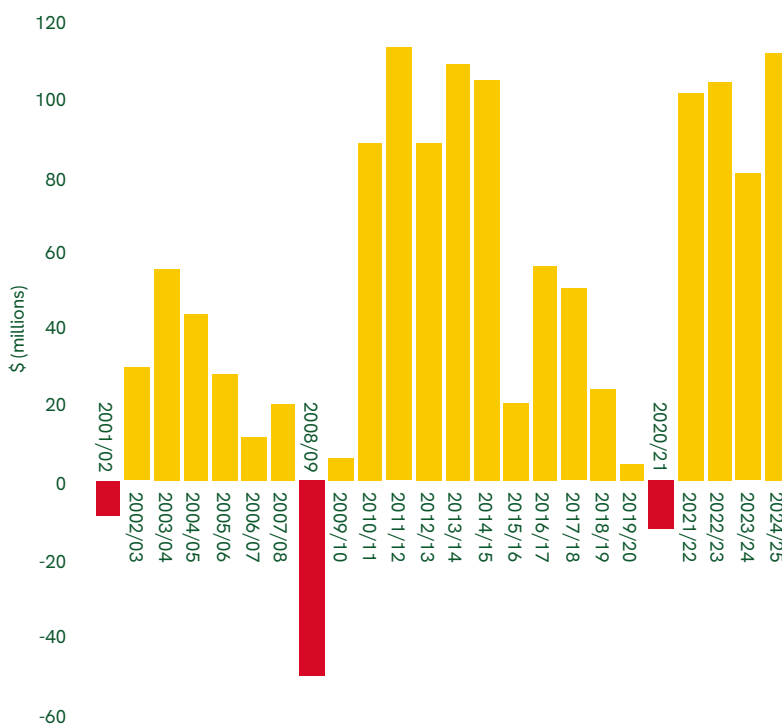
Zespri operates a foreign exchange policy covering the New Zealand supply pool, which is designed to smooth returns from foreign exchange over time.

Given that most of New Zealand growers' fruit is exported, the policy is developed to mitigate the otherwise volatile foreign exchange impact on grower OGRs.

In conjunction with the solid performances of the kiwifruit industry and the single desk structure, our financial institutions have a level of confidence that allows Zespri to hedge foreign exchange further into the future than most other New Zealand exporters. The benefits of this hedging policy can be seen in the graph.

While the foreign exchange policy is the responsibility of the Zespri board, IAC are provided with regular updates and presentations can be made to grower groups on request.

Realised FX gains or losses for the NZ Supply Pool compared to if there were no hedging programme in place



## ZGS Crossover: Reporting commitments

### Zespri has committed to report back to NZKGI on ZGS performance.

As part of NZKGI's support of the ZGS expansion, NZKGI agreed that it will work with Zespri on annual reporting expectations and KPIs which we expect to cover the following areas:

1. Specific details by market of the cross over between NZ fruit and ZGS fruit
2. A trend towards the rebalancing of overheads to ZGS and reduction in advertising and promotional spend in 12-month supply
3. Details of any PVR/GAP audits and breaches in ZGS including remedial action taken
4. A trend towards an increasing percentage of ZGS fruit being sold between January and April every year to demonstrate progress towards 12-month supply in key markets

Zespri have in turn committed the following information will be compiled into an annual ZGS report:

- The transition between New Zealand and ZGS supply will be published on a weekly phasing basis, starting from the prior calendar year,

with a further detailed breakdown provided to Kiwifruit New Zealand and NZKGI.

- A comprehensive market analysis of the kiwifruit category will provide insights into the competitive environment, category growth, Zespri's market position, and key trends in core markets.
- Reports will also cover key metrics including taste and dry matter, planted and harvested hectares, yields, and tray production metrics such as Class 1 packed trays and total trays supplied
- Consumer perception of ZGS fruit will be reported on also

As is current practice, Zespri will also complete an annual review of forecast ZGS SunGold demand and supply to ensure forecast demand remains ahead of forecast supply for the following five years. This will include reporting on the allocation of any additional SunGold hectares that year from 2025 onwards.

**Zespri has committed that this would be available in July each year which meant it was unavailable for this year's Kiwifruit Industry Performance Report. There is an expectation that this reporting will commence in the 2026 edition of this publication.**

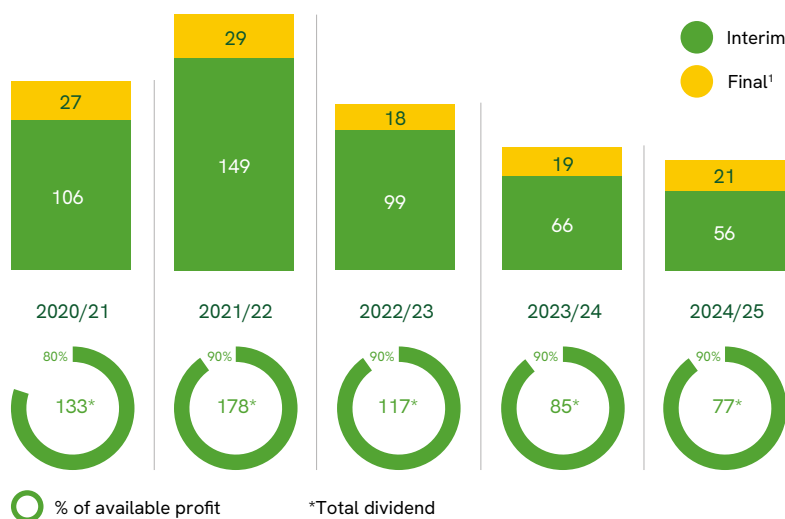


# Shareholder returns

The Zespri Board declared a net final dividend of \$0.21 per share for the 2024/25 period. This dividend includes imputation credits at 55%. Imputation credits vary every year and reflects the amount of tax on the profits already paid by Zespri International Ltd. This brings the total net dividend to \$0.77 per share, down from \$0.85 per share in 2023/24. Profits are generated by a combination of the New Zealand supply business, the Zespri Global Supply business, the licence release process, and a small contribution from ownership of land and buildings.

The percentage of available profit distributed was 90% which is in line with the past 3 seasons.

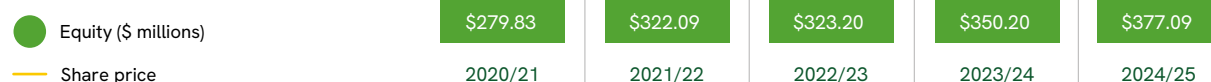
Dividend per share (cents)



<sup>1</sup>Dividends per share are based on Ordinary shares as at 31 March 2025. The actual dividend paid will vary depending on the number of Class B shares at the dividend record date. Imputation credits have been allocated to 55 percent of the dividend declared, compared to 70 percent in 2023/24.

## Equity and the share price increased in 2024/25

The share price has rebounded from \$4.35 in 2023/24 to \$6.10 as at year end (March 31, 2025) and equity continues its five-year increase to \$377 million, an increase of \$27 million from last year.

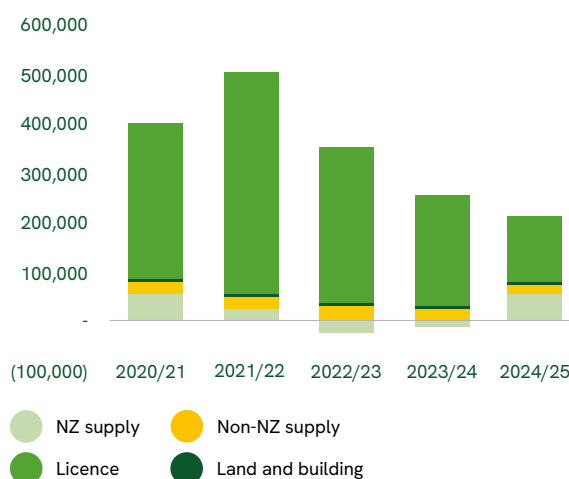


# Financial performance indicators

New Zealand Supply has returned to a profit (before interest and tax) of \$56.4 million, a significant turnaround from the \$10.1 million loss recorded in 2023/24. This recovery is primarily attributed to a larger crop, but also reflects a more modest rise in overhead costs compared to sales revenue growth, alongside the benefits of economies of scale achieved through increased production.

Non-New Zealand Supply EBIT declined by 23%, and this continues on from the 2023/24 year-on-year decline of 20%. There was also a 0.3% decline in sales revenue for the 2024/25 financial year. Although the offshore performance of the pools improved, adverse foreign exchange movements impacted the timing of payments to growers, resulting in a reduced return to Zespri. While the expansion of hectares in Europe is expected to address this, it does show

EBIT: New Zealand supply



the challenges associated with growing in the Northern Hemisphere have had an impact.

Licence revenue has declined over time, with a significant drop in 2024/25, which continues a 4-year decline. This reduction follows two challenging seasons that impacted grower returns, diminishing both the risk appetite and capacity to engage in the licence process. Additionally, the availability of hectares available for bid also decreased.

Land and buildings continue to contribute a stable \$2 million to Zespri and this is expected to remain consistent.

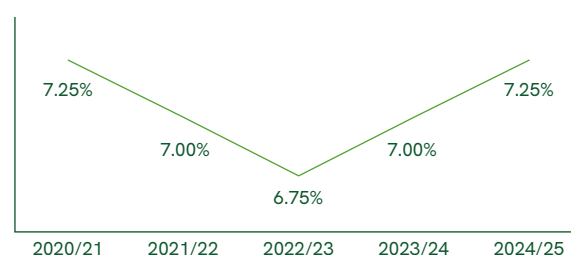
### Fruit return margin increases

The New Zealand Supply Fruit Return margin percentage used as a component to calculate Zespri's gross margin declined in the post-COVID period. The decline is a product of the automatic reset mechanism as per the enduring funding agreement which adjusts the margin down 0.25% when Zespri EBIT exceeds 1.2% on average over a 3-year period. This period was impacted by operational constraints such as closed borders, which kept costs artificially low by limiting the ability to complete key projects and scale operations. As such Zespri's margin exceeded the 3-year average threshold of 1.2% at the end of FY2020/21 and FY2021/22, which triggered two downward resets.

As shown in the EBIT charts, Zespri delivered a negative EBIT result for New Zealand Supply in 2022/23 and 2023/24, which under the enduring funding agreement gives the Zespri Board the option to increase the fruit return margin by 0.25%, which was done in both years.

The result of the current season will impact the fruit return margin reset for the following season. This is evidenced by the announcement by Zespri in May of this year where Zespri's fruit return margin percentage will automatically be reset downward by 0.25% to 7.00% for the 2025/26 season, subject to final audit sign-off.

### Fruit return margin percentage



The Enduring Funding Agreement is the agreement between Growers, Registered Suppliers and Zespri, which determines how much funding Zespri is able to receive to perform their core role. Costs such as freight, insurance, duty, customs, and promotion are funded by the New Zealand pools

### Enduring Margin

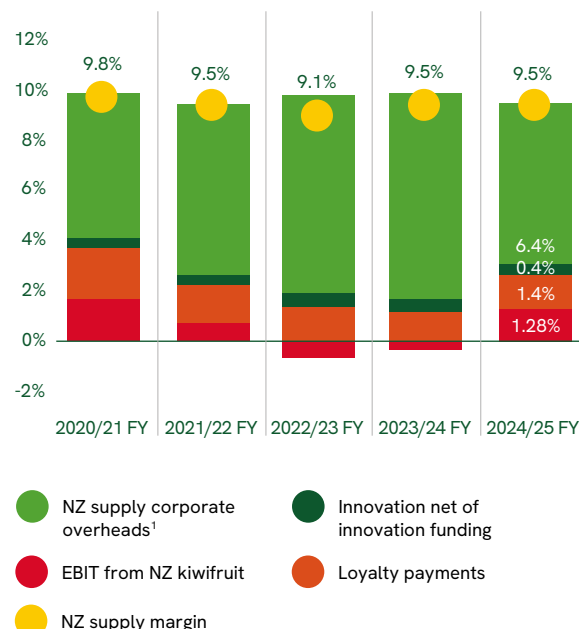
Revenue increased to \$4.4b from \$3.3b in the 2023/24 financial year. The New Zealand Supply Margin as a percentage of this revenue remained consistent at 9.5% across both years.

This is calculated in accordance with the New Zealand Supply Agreement, being made up of two components:

1. 5% of net sales (excluding collaborative markets)
2. Return from fruit sales less 5% of net sales, less service costs, multiplied by the fruit return margin (7.25% for the 2024 season)

Loyalty payments increased \$20.7m or an increase of 0.2% to 1.4%. The increase in innovation funding was slower than the increase in revenue as such this reduced from 0.5% to 0.4% in 2024/25.

NZ supply overheads also increased slower than revenue and as such reduced from 8.1% in 2023/24 to 6.4%. With a return to profit, EBIT was 1.28% of Revenue, improving from the \$10.1m loss in 2023/24, and the \$22.1m loss in 2022/23.



<sup>1</sup>Including other non-pool revenue and allocated excess tax.

The enduring funding mechanism calculates the margin paid to Zespri based on net sales and fruit returns, with the margin funding loyalty payments, New Zealand supply corporate overheads and innovation funding.

# Zespri shareholders

## Zespri has three targets in place to increase shareholder alignment

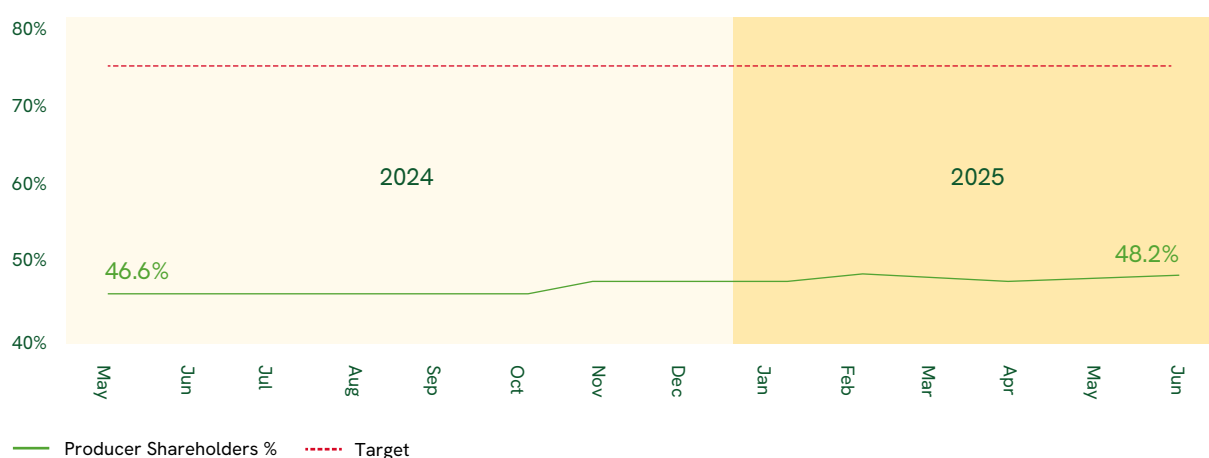
The data presented in this section was compiled prior to the availability of the results of LaS and DaS initiatives.



### Target 1: At least 75% of New Zealand growers are shareholders by 2030

At the time of printing, there are 2,784 kiwifruit growers in New Zealand, of which 1,342 are shareholders. This equates to 48.2%, and is up 1.6% from the same time last year.

### Producer shareholder percentage over the last 12 months

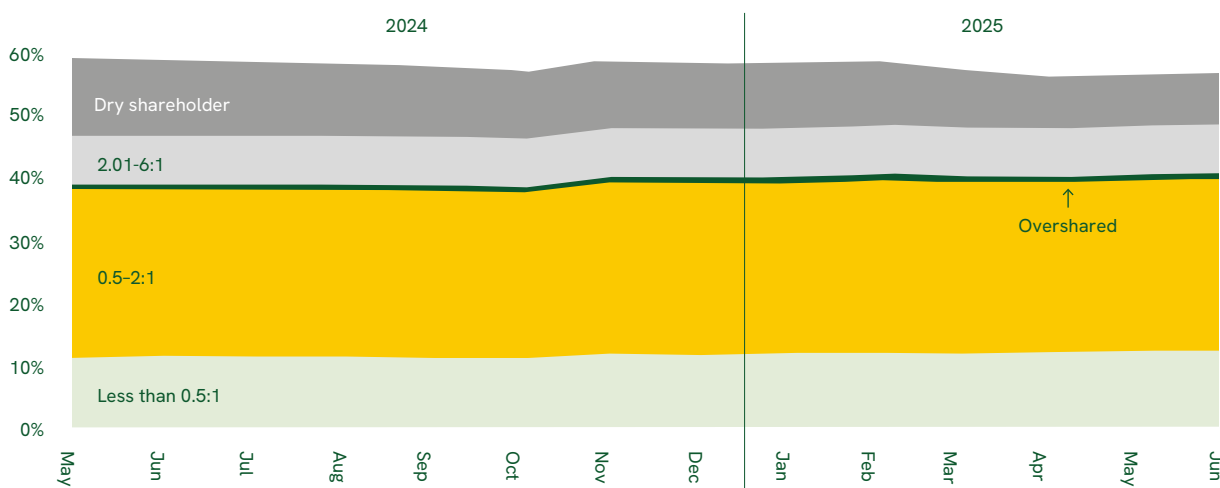


### Target 2: 60% of New Zealand growers hold between 0.5 and 2.0 shares per tray by 2030

If a grower averages 20,000 trays (from the best two of their last five years of production) and has 10,000 shares, they are said to have 0.5 shares per tray of production. Zespri are targeting that 60% of growers hold shares between 0.5 and 2.0 shares per tray of production by 2030.

At the time of printing, 27.3% of growers meet this target. This was up from 26.7% last year.

### Producer shareholder shares held by production bands



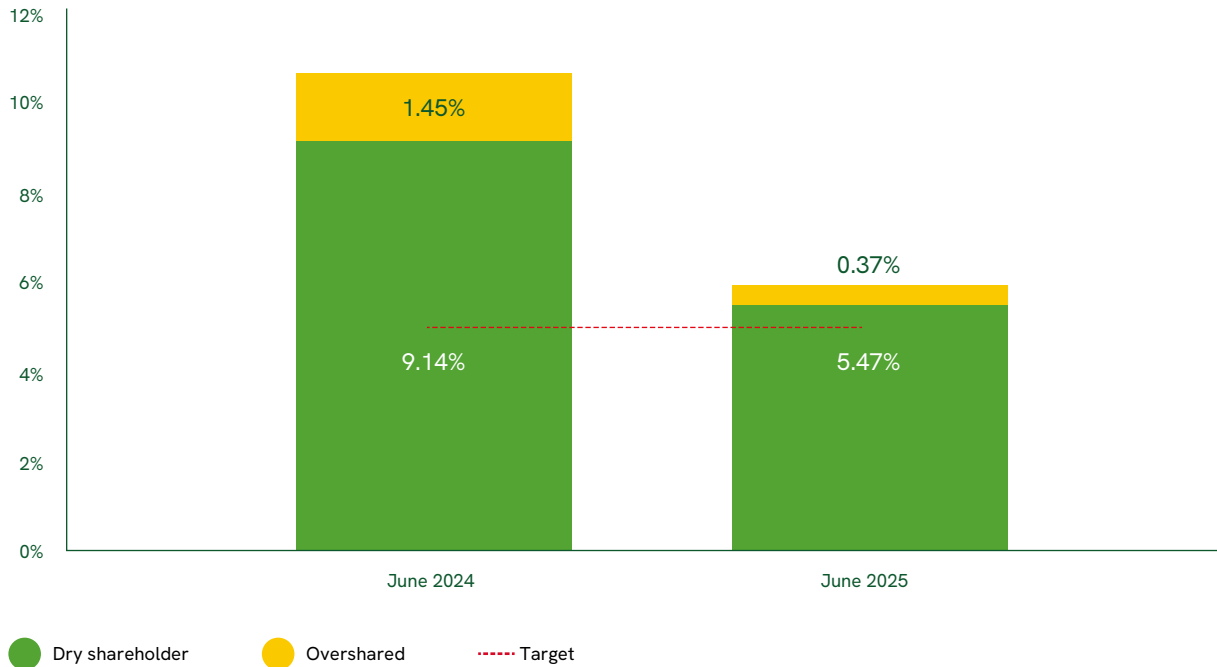
**New entrants:** To support new entrants converting greenfield land into orchards, who won't have production for several years, a "Deemed Production" equal to the regional average may be assigned. This allows them to purchase Shares at a rate of 1.5 Shares per deemed tray, rounded up. In June 2024, this accounted for 0.2% of issued Shares, and 0.7% in 2025.

### Target 3: Total percentage of dry shares and shares above 6:1 cap is below 5% by 2028

Shares exceeding the 6:1 shares-to-production ratio account for 0.37% of all shares. This percentage specifically represents shares beyond the 6:1 threshold within the relevant group, not the entire group's shares. This is down from 1.45% last year.

Dry shareholders, or those that own shares but are no longer producing kiwifruit make up 5.47% of all shareholders, a reduction from 9.14% last year.

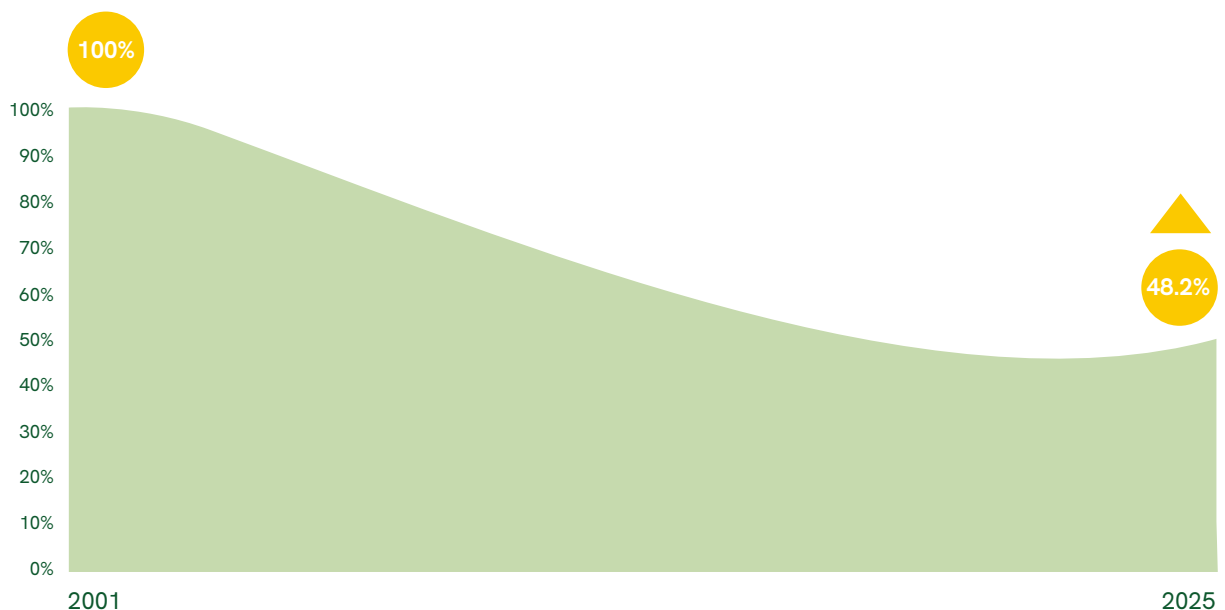
Combined these make up 5.8% of all shareholders, down from 10.6% last year, and close to the 5% target.



### KISP and LaS & DaS initiatives are attempting to increase industry alignment

When Zespri was corporatised, all growers owned shares equal to their production, equating to 100% alignment. Over the years, growers have exercised their right to buy and sell Zespri shares, resulting in the industry slowly drifting away from alignment. This issue was addressed through the Kiwifruit Industry Strategy Project (KISP) and again through Zespri's current Loyalty as shares (LaS) and Dividends as shares (DaS) initiatives. On both occasions, less than 50% of growers owned shares in their marketer.

### Producers that own Zespri shares



# Definitions

**B3** Better Border Biosecurity

**BMSB** Brown marmorated stink bug

**CA incentives** An incentive sometimes offered directly by Post-harvest to encourage storing and packing via CA

**CA** Controlled Atmosphere

**Charter** A vessel where pallets are loaded directly underdeck and temperature managed

**Commercial Incentives** (also known as incentive payments) Grower payments inclusive of Time, KiwiStart and Supplier Accountability

**Container** Also known as a container vessel, standardized temperature managed shipping container used to transport goods

**Departure Plan** Produced by Zespri, this is the planned shipments in TE's by NZ load port, ISO week, destination port, fruit group, brand, pack, size and label intended to meet each markets sales forecasts for the season. This updates to actual shipments as the season progresses

**DOS** Digital Orchard Scanning

**EBIT** Earnings Before Interest and Tax. EBIT helps assess how efficiently a company is generating profit from its business activities alone, without the influence of its capital structure or tax environment

**ECPI** Export Consignment Product Inspection, an on-wharf inspection that happens before loading

**ERM** Emergency Response Management

**FOBS** Free on Board Stowed is a term used in the to denote the point at which the fruit is loaded onto a ship or aircraft for export, marking the transfer of responsibility from the seller to the buyer, in this case Zespri

**FTA** Free Trade Agreement is a treaty between two or more countries that reduces or eliminates trade barriers between them, such as tariffs and quotas. FTAs aim to facilitate trade in goods and services, and investment, creating a more open and interconnected market for participating countries

**FX** Foreign Exchange is an institution or system for dealing in the currencies of other countries

**GA1CK** Zespri SunGold, Class One, conventionally grown

**GA1OB** Zespri SunGold, Class One, organically grown

**GIA** Government Industry Agreement operates as a partnership between primary industry and government to manage pests and diseases that could badly damage New Zealand's primary industries, economy, and environment.

**HE1CK** Zespri Sweet Green, Class One, conventionally grown

**HW1CK** Zespri Green, Class One, conventionally grown

**HW1OB** Zespri Green, Class One, organically grown

**IAC** the Industry Advisory Council, manage the financial, tax and government related aspects of the kiwifruit industry. Also advises on issues relating to the Supply Contract, decisions relating to the treatment of and payment for fruit and matters with material financial implications for growers

**ISG** the Industry Supply Group is made up of representatives from Zespri, suppliers and NZKGI managing operational decisions about global supply chain processes, including fruit quality

**ISO week** An ISO week is a way of numbering weeks according to the international standard ISO 8601

**KNZ** Kiwifruit New Zealand is the independent kiwifruit industry regulator. Its role is to monitor and enforce the Kiwifruit Export Regulations 1999 that set up Zespri as the 'single desk' exporter of New Zealand grown kiwifruit. KNZ issues an export authorisation to Zespri, monitors the mitigation measures and regulates collaborative marketing arrangements. [www.KNZ.co.nz](http://www.KNZ.co.nz)

**KNZ Collaborative Marketing comparison methodology** KNZ evaluates whether collaborative marketing returns exceed what suppliers would have earned without the arrangement by calculating the net return back to orchard gate return (OGR) in \$. This includes:

1. Revenues and costs from the collaborative marketer (e.g. sales, freight, commissions, exchange rates)
2. Zespri's supply costs, based on Supply and Service Level Agreements
3. Onshore supply costs if fruit is not from Zespri

Adjustments may be made for factors like fruit size and sale timing. The assessment uses actual growing/export year data for more accurate comparisons. Returns are indexed against benchmark markets to show performance relative to alternatives. An index below 100 indicates lower returns than benchmark; above 100 indicates higher returns

**KVDS** Kiwifruit Vine Decline Syndrome. The most obvious sign of KVDS is the sudden and rapid wilting of the plant which ultimately results in plant death

**KVH** Kiwifruit Vine Health is a grower levy funded organisation dedicated to supporting the kiwifruit industry's biosecurity readiness and response activities, including Psa management

**MCS** Maturity Clearance System

**Mitigant Proof** is evidence or demonstration that a specific measure or control (mitigant) effectively reduces or eliminates a particular risk

**OFF** Oriental Fruit Fly

**OGR** Orchard Gate Return

**OSE** Official Supply Estimate



**Psa-V**, *Pseudomonas syringae* pv. *actinidiae* is a bacteria that can result in the death of kiwifruit vines. It was first discovered in New Zealand in November 2010 and rapidly caused widespread and severe impacts to New Zealand's kiwifruit industry

**Quality Claims** a credit that has been issued to a customer following assessment and acceptance of a formal quality claim

**RS1CK** Zespri Red19, Class One, conventionally grown

**SBD** Storage Breakdown Disorder, or chilling injury

**SOPI** Situation and Outlook for Primary Industries

**Spray Drift** unintended airborne movement of spray droplets or particles away from the target area during or shortly after application

**Storing Characteristic or StorChar** KiwiStart is governed by a "Ship by Rule" where an assigned storing characteristic determines the specific weeks by which the different submit weeks of KiwiStart must be shipped by

**Supplier Accountability** An industry implemented in-market fruit inspection programme to support the

supply of high-quality fruit to markets. The overall aim is to incentivise Growers and post-harvest to supply top-quality fruit and reduce offshore quality costs suppliers are incentivised for the supply of good quality fruit, and penalised when fruit of a lesser standard is supplied

**TE** Tray Equivalent is a measure used to convert the quantity of kiwifruit from trays to kilograms

**Total Fruit and Service Payments** Grower payments including submit, progress time and pack payments

**Trays Approved** One of the internal supply chain metrics used to monitor quality claims is claims submitted (TE) which is the claim as received from the customer. Cost of Quality measures use the claims approved amount which is the claim value once the claim is approved by Zespri

**VAC** Vessel Assessment Committee, which reviews and monitors shipping temperatures in vessels, across containers and charters to market and tracks the liability in case of fruit quality claims / supplier accountability penalties

**ZGS** Zespri Global Supply

# Give us your feedback on this report



This is the first edition of our report and we endeavour to improve each forthcoming edition to ensure it meets growers' needs.

We value your insights and would greatly appreciate your feedback to help us improve the quality and relevance of our work.

Thank you for taking the time to support our continuous improvement.



Please share your thoughts by emailing us at [info@nzkgi.org.nz](mailto:info@nzkgi.org.nz).

## Disclaimer

*All \$ shown are New Zealand dollars unless stated otherwise. Information on Greenhouse emissions (page 15) was updated in January 2026.*

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