Kiwifruit New Zealand

ANNUAL REPORT

2025 2026

YEAR ENDED 31 MARCH 2026

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__The New Zealand Kiwifruit Board__ was established by Regulation 32 of the Kiwifruit Export Regulations 1999 and is known as __Kiwifruit New Zealand__

Samantha Sharif

As I come to the end of my second year as Chair of Kiwifruit New Zealand, this Annual Report provides a great opportunity to reflect on key industry developments and KNZ's role in those.

Firstly, I am pleased to have started to build strong relationships with our key stakeholders – and to raise awareness of KNZ's role. It is clear that there are senior leaders within the kiwifruit industry who do not have a wide understanding of the reasons for the formation of KNZ and why our role is even more relevant today than it was when we were established 26 years ago. Thus, one of our key goals is to build that understanding.

As a reminder of that history. Zespri was established as a State Trading Enterprise under the WTO rules and operates for the benefit of New Zealand kiwifruit growers and the wider industry. KNZ's role as a strong independent regulator is fundamental to the continued success and survival of this single-desk exporter model as we grow NZ's export trade. Importantly, the India Free Trade Agreement Amendment Bill, will extend KNZ's functions to include quota management of kiwifruit exported to India.

Another focus area for the Board is to grow our first-hand understanding of NZ's kiwifruit export markets. Attending Fruit Logistica in Hong Kong, and visiting key markets including China, Japan, India and the Middle East has been hugely valuable and drives good Board discussion and insights.

KNZ is supported by a strong and evolving Board and management team. Deb Robinson joined the Board in late 2025 as a grower Director has complemented our existing expertise with her knowledge of the supply agreement and Zespri's ordering operations. This year, Neil Trebilco will step down from the Board and we will miss his insights – particularly in the important organics market.

Finally, our very capable Chief Executive, Geoff Morgan will step down later this year, after 11 years leading KNZ. Geoff's dedication, knowledge and relationships have been pivotal to our success, and the Board is firmly focussed on managing a seamless leadership transition – with the goal of having a new Chief Executive in place prior to the end of the year.

Nga mihi and kind regards

Geoff Morgan

The 2025 season was another record year with a volume of 225 million trays. All stakeholders worked very well together to deliver this volume to world-wide consumers in an efficient and timely manner, whilst retaining the very high standards that New Zealand and Zespri is known for.

KNZ's role is to make sure that Zespri complies with the letter, and intent, of the Kiwifruit Export Regulations 1999. This independent overview helps ensure the single desk, or single point of entry (SPE), continues to work in the best interests of New Zealand kiwifruit growers.

During this last year KNZ investigated a complaint from a grower regarding Zespri's purchase decisions after Cyclone Gabrielle in February 2023. This falls under the non-discrimination rule in the Regulations, which requires that "Zespri must not unjustifiably discriminate amongst suppliers and potential suppliers" when it comes to purchasing kiwifruit. KNZ takes all such complaints very seriously and the investigation took some months and raised a number of very important issues. The final decision was that Zespri had not discriminated against the grower by not purchasing some fruit, due to the potential for contamination which created risk to New Zealand and Zespri's reputation. All of KNZ's decisions relating to complaints are published on our website so that all interested parties can see how KNZ's process and final decisions are made.

Later in this report you will see details of the NZ India Free Trade Agreement and how kiwifruit imports will be handled when the FTA comes into force. KNZ has had input into the development of the Kiwifruit Action Plan to ensure it is consistent with the Regulations. It is also proposed that KNZ will be the quota manager with the role of allocating quota to both Zespri and collaborative marketers for this market.

As Samantha mentioned, I will be retiring at the end of the year after 11 very enjoyable years with KNZ.

It has been a privilege to be part of such an exciting and dynamic industry, providing a fitting conclusion to my 46 years working in New Zealand's primary sector export industries. Throughout my time with KNZ, I have greatly valued the opportunity to contribute alongside dedicated colleagues, Directors, and industry participants.

I believe the kiwifruit industry has been exceptionally well served by both the past and present staff and Directors of KNZ. The Kiwifruit Export Regulations 1999 have provided a strong and enduring framework that remains relevant today, supporting the industry's continued growth, increasing value for New Zealand, and ensuring we continue to meet our international trade obligations.

1 April 2025 to 31 March 2026

KNZ Function	Relevant Regulation	KNZ Actions
To authorise the export of kiwifruit by Zespri (except to Australia).	Regulations 4, 5, 6, 7, 33(1)(a) and 42(2)	Reviewed and reissued the Export Authorisation. Monitored all kiwifruit exported from NZ in conjunction with NZ Customs
To monitor and enforce the point of acquisition of title to kiwifruit at FOBS	Regulations 5(c) and 33(1)(b)	Annual Supply Agreement, Additional Documentation and Service Level Agreements were reviewed and monitored.
To monitor and enforce the terms and conditions of Zespri's export authorisation	Regulation 33(1)(b)	Monthly reports from and regular meetings with Zespri, information received as per monitoring plans and agreed reporting, plus specific requests for information.
To monitor and enforce the non-discrimination rule	Regulations 9 and 33(1)(b)	Compliance was monitored. The assessment of one complaint was completed another complaint was under investigation as at 31 March 2026.
To monitor and enforce the prior notice rule	Regulations 10(a) and 33(1)(b)	Compliance monitored but no prior notices received by KNZ.
To monitor and enforce the non-diversification rule	Regulations 11 and 33(b)(1)	Compliance monitored.
To monitor and enforce the information disclosure requirements	Regulations 12 to 14 and 33(1)(b)	Compliance monitored.
To monitor and enforce the collaborative marketing requirements	Part 4 and Regulation 33(1)(b)	Compliance monitored and annual review of process completed.
To consider requests for exemption from ZGL from the information disclosure requirements	Regulation 21	Considered Zespri's requests and exempted information where Regulation 21(1) and/or (2) were satisfied

This year KNZ entered into its fourth Statement of Intent, in which we reaffirm our commitment to delivering our core functions fairly, independently, and to a consistently high standard. We will continue to build on the strong foundations established in previous years, maintaining comparable performance measures to support continuity and robust evaluation. Ongoing review and refinement of our processes ensure that our operations remain efficient, transparent, and fit for purpose.

Our values continue to provide the foundation for how we work, make decisions, and engage with our stakeholders. While our operating environment, priorities, and challenges may evolve over time, the principles that guide our actions remain consistent and unchanged.

KNZ's Strategic objectives are

1. Effective Monitoring and Enforcement

Deliver independent, risk-based monitoring and enforcement of the Kiwifruit Export Regulations

2. Collaborative Marketing

Foster a strong collaborative marketing framework that encourages innovation and industry growth.

3. Stakeholder Engagement

Engage proactively with stakeholders to improve understanding and transparency.

4. Capacity, Capability, and depth of experience

Maintain the people, expertise, systems, and resources needed to regulate effectively in an evolving industry

The signing of the New Zealand–India Free Trade Agreement marks a significant milestone for New Zealand's horticulture sector and creates a long-term platform for growth in one of the world's fastest-growing consumer markets. The agreement provides New Zealand kiwifruit with preferential market access through a duty-free tariff-rate quota, alongside a 50% reduction in tariffs for exports outside the quota. This is the first time India has granted tariff-free access for imported kiwifruit under a free trade agreement.

While commercial benefits are expected to be realised progressively as the market develops. With India's large and expanding middle class, rising disposable incomes, and increasing demand for premium fresh produce, the agreement provides a strong foundation for future market development and value creation for New Zealand kiwifruit exporters.

Category	Tariff Details	Volume / Quota Conditions
In-Quota Access	**0%** (Tariff eliminated)	For arrivals 1 April - 15 October each year. First 6,250 tonnes (from Year 1), growing to 15,000 tonnes by Year 6. CIF ≥ US$1.80
Out-of-Quota Access	**16.5%** (Halved from 33%)	All volume exceeding the annual tonnage limit. CIF ≥ US$2.50

Kiwifruit New Zealand (KNZ) has been identified as the proposed Quota Manager under the India Free Trade Agreement Legislation Amendment Bill. Amendments to the Kiwifruit Export Regulations 1999 have been proposed under the Bill to expand KNZ's statutory functions and provide the necessary legislative authority to administer the tariff-rate quota for exports to India.

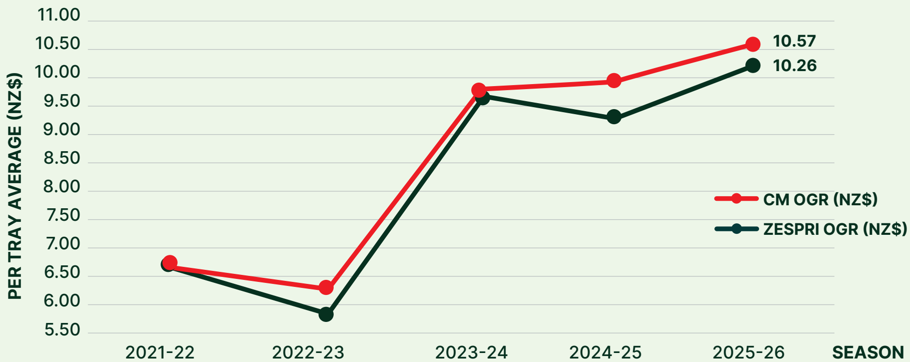
In anticipation of the legislation being enacted, KNZ has been progressing the development of the governance framework, operational systems, and administrative processes required to effectively undertake this new regulatory function. This work has included consulting with MPI on quota allocation methodology and administration processes, developing supporting systems, and engaging with industry stakeholders to ensure the framework is transparent, efficient, and aligned with the objectives of the Free Trade Agreement.

Subject to the passage of the Bill in its current form, KNZ expects to be fully operational in its role as Quota Manager for the commencement of the 2027 export season, ensuring New Zealand exporters can access the preferential market access opportunities available under the Agreement.

KIWIFRUIT – 2025-26

5.7m CM TRAY EXPORTS

OGR COMPARISON BETWEEN CM & ZESPRI



KIWIFRUIT CM APPLICATIONS COMPARISON

2025-2026		2024-2025	
APPLICATIONS RECEIVED	26	APPLICATIONS RECEIVED	25
APPLICATIONS APPROVED	26	APPLICATIONS APPROVED	25
APPLICATIONS DECLINED	0	APPLICATIONS DECLINED	0

KIWIBERRY - 2026

NET RETURN PER TRAY

$35.71

(up 3.6%)
(excluding Australia)

TOTAL CM TRAY EXPORTS

135,485

(up 17.2%)
(excluding Australia)

- The purpose of collaborative marketing is to increase the overall wealth of New Zealand kiwifruit suppliers
- Kiwifruit collaborative marketing volumes and returns for the last ten years are as follows:

Season	Volume (millions of trays)	Market Return[1] (NZD millions)	TFSP[2] (NZD millions)	Estimated OGR[3] (NZD millions)
2016	2.7	22.4	21.6	11.7
2017	2.3	19.8	18.9	12.7
2018	3.16	25.4	23.9	13.5
2019	2.9	28.6	27.7	19.7
2020	3.5	36.3	34.7	26.3
2021	4.1	40.1	38.9	27.3
2022	2.8	27.8	28.8	17.7
2023	3.1	42.6	42.7	30.5
2024	5.1	68.2	65.7	44.5
2025-26	5.7	84.1	81.3	60.2

Each year a benchmarking exercise is carried out between the kiwifruit collaborative marketing programmes and similar Zespri programmes, on a comparable basis for region, country, market and time.

The results of the benchmarking averaged across all programmes for fruit return is as follows:

Season	CM TFSP Return per TE	Zespri TFSP per TE	CM OGR Return per TE	Zespri OGR per TE
2016	7.86	7.00	4.26	3.89
2017	8.34	8.71	5.58	5.86
2018	7.70	7.30	4.35	4.15
2019	9.65	9.56	6.86	6.73
2020	9.99	10.05	7.23	7.14
2021	9.45	10.25	6.63	6.64
2022	10.20	9.47	6.28	5.89
2023	13.56	13.23	9.70	9.58
2024	13.53	12.99	9.95	9.36
2025-26	14.27	13.92	10.57	10.26

1 “Market Return” is what is returned to the Grower Pools at “Free on Board” after all in market costs, including freight, insurance, promotional expenditure, in market commissions, and before service costs, service level agreement and onshore costs, service charges and fruit incentives.
2 “Fruit Return” or Total Fruit and Service Payments (“TFSP”) is the Market Return less all commissions, supply costs including costs in respect of service level agreements, onshore direct costs, and the Zespri administration charge, but before service charges, fruit incentives and postharvest costs.
3 “OGR” is the return to growers at orchard gate after deduction of all downstream packing, distribution and marketing costs.

Revenue	2025-26	2024-25	2023-24
Funding from Zespri Group	782,335	703,770	633,625
Funding from Zespri Corporate *(Cost Recovery)*	0	0	35,813
Funding from Collaborative Marketing Fees	344,623	328,474	322,147
Other Revenue	2,131	50	
Total Revenue	**1,129,089**	**1,032,295**	**991,585**

Expenses	2025-26	2024-25	2023-24
Board Expenses	264,264	220,741	217,230
Executive Expenses	296,925	294,648	282,401
Collaborative Marketing Expenses	420,021	391,348	390,325
Other Expenses – Operations	61,091	48,258	29,706
Other Expenses – Overheads	86,788	77,300	71,923
Total Expenses	**1,129,089**	**1,032,295**	**991,585**
Surplus before tax	**0**	**0**	**0**
Income Tax Expense	**0**	**0**	**0**
Surplus/(Deficit) for the year	**0**	**0**	**0**

KNZ is funded on a cost-recovery basis and does not make a profit. All funding is from Zespri and Collaborative Marketing applicants, and KNZ applies the following principles to its financial management; equity, efficiency, justifiability and transparency.

Total costs each year are dictated by necessary monitoring activity, enforcement events and Collaborative Marketing applications, which will vary from year to year. However, KNZ strives to control costs wherever possible and achieve productivity gains through the continuous improvement of systems and processes.

A copy of Kiwifruit New Zealand's audited accounts is available on our website ***www.knz.co.nz***

19 June 2026

Kiwifruit New Zealand
PO Box 4683
Mount Maunganui South, 3149

Dear Board of Directors

We have pleasure in presenting our Audit Completion Report for our audit of Kiwifruit New Zealand's financial statements for the year ended 31 March 2026.

We set out the findings of our audit work for that year in the report attached to this letter.

We take this opportunity to express our appreciation for the assistance and co-operation provided during the audit.

The primary aim of our audit is to form an opinion as to whether your financial statements fairly reflect the results of your organisation's activities for the reporting period and its financial position at balance date. The audit report expresses this opinion.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We have received full and frank cooperation throughout our audit.
There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO Tauranga

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