



MEDIA RELEASE

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EastPack Welcomes Grower Support of Industry Structure

The final results of the Kiwifruit Industry Strategy Project referendum on the structure of the Kiwifruit Industry have been released.

New Zealand's largest kiwifruit post-harvest operator EastPack welcomes the final result of the Kiwifruit Industry Strategy Project (KISP) and congratulates growers for taking the time to consider the issues that are so important to growers and the industry's future.

EastPack Chairman Ray Sharp said the fact that growers representing 80% of NZ's kiwifruit production voted is very significant and gives confidence to the wider industry, including EastPack, to make further investment in the industry.

"A lot of consultation, time and thought by industry leaders went into developing the final proposals. The fact that over 90% of the votes supported the proposals is a great outcome".

"We join our growers in our continued support of the SPE encompassed in Zespri and our collaborative marketing structure and the proposed development of more appropriate structuring of Zespri ownership and industry control for the next 10 to 15 years. The referendum result supports a strong mandate for the changes proposed, some very fundamental and some refinements to shape Zespri to better add value to our NZ kiwifruit industry", Mr Sharp said.

"I am grateful that our industry has again shown the maturity to pull together on this referendum as it has done on other important issues and crisis. The referendum result lays the foundation to improve the industry structure with grower control and ownership doing what we can to leverage better outcomes for ourselves as growers and our country".

"By choosing to evolve their industry structure through consensus, the industry will drive growth and certainty and deliver significant economic and employment benefits in NZ as well as help develop Zespri's dominant position as the leading Global marketer of quality kiwifruit".

"The next step to implement the KISP proposals is to work with the Government to make regulatory change. I am certain if we can, with the Governments support, achieve the changes that the referendum proposes to get the fundamentals of the industry right in order for the industry to deliver its potential value to the economy.

"The NZ kiwifruit industry is unique and the model is an example of how our small country can compete effectively internationally for the benefit of the NZ economy. It sets us apart in a world fruit trade where growers normally have little control over their destiny and adds significant value to the otherwise commodity dominated trade".

The result gives EastPack more confidence to invest for rapid growth of its part of the NZ kiwifruit post-harvest sector. We expect EastPack's kiwifruit volumes to increase by 30% in 2015 and 50% over three years from 2014. This growth requires substantial investment of capital in packing and coolstorage facilities across the Bay of Plenty as well as requiring a significant increase in skilled employment opportunities within the Company and throughout the kiwifruit industry.

The positive outcomes Zespri has achieved in the market and growers' determination to recover from PSA has led to growers achieving productivity improvements beyond expectation and this is driving improved growth and prospects for the kiwifruit industry. In this context the KISP proposals, growers strong support in this referendum gives me confidence that NZ's kiwifruit industry will grow strongly well into the future and retain and develop the exceptional value-add that our marketing discipline and system investment over many years has proved it can. The next important step is for the Government to endorse and support the changes needed to enable our industry to deliver its potential value to our economy.

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