IRO PRESENTATION 2020

AUSTRALIAN PRODUCTION FIGURES AND STATUS.

Fresh Production Figures and Trends of Rubus in Australia for the end of June 2019

- Total production, of both fresh and frozen rubus, increased by 37% year on year to 9478 tonnes, an increase from 6922 tonnes in 2017-18.

- Mainly focused on raspberries, 85% of production, with blackberries 14%, and 1% of niche berries, boysenberries etc.

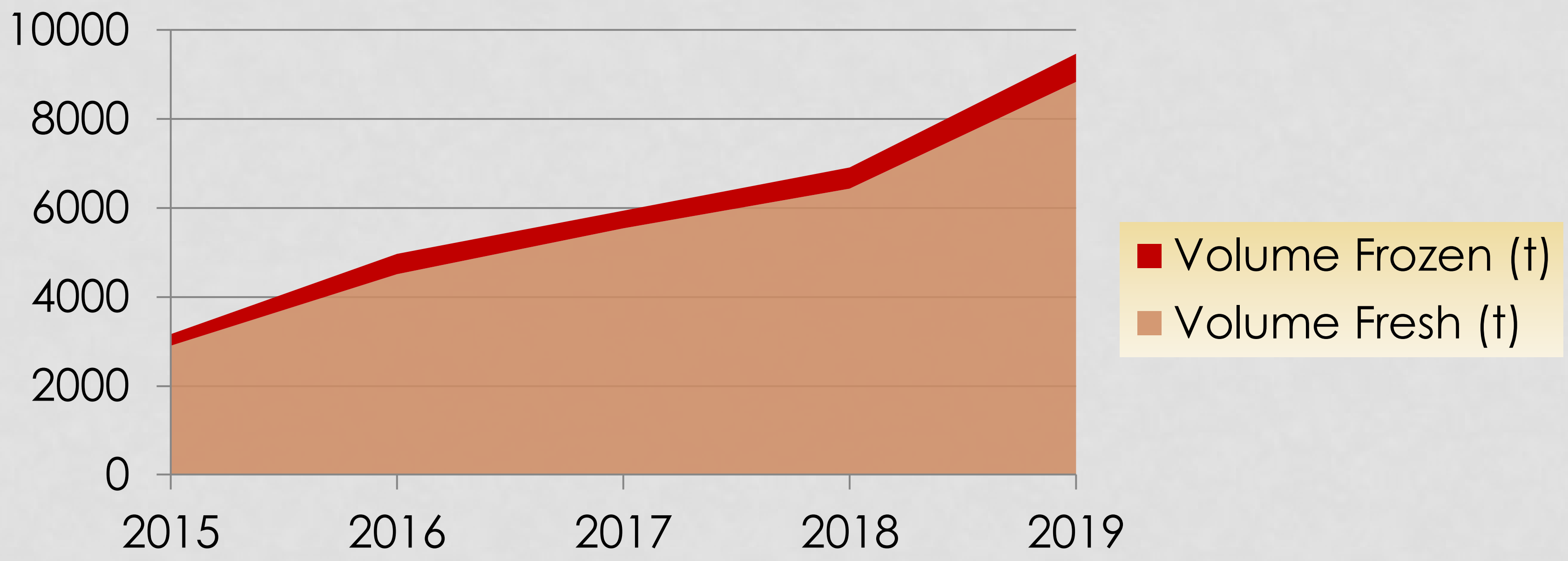
- Main varieties of raspberries are Driscolls eg Maravilla, as well as other new proprietary varieties from other companies, ie Berry Jem, Berry Jewel.

- Supply per capita continues to increase – 350g per capita in year ending 2019 up from 260g per capita in 2018

- Driven by an increase of households buying - 24% in year ending 2019 compared to 19% of households in both 2018 and 2017

- Percentage of local frozen production very small, approximately 5-7.5%, of total local production. Mostly seconds from excess fresh production. Very small amounts of dedicated frozen fruit grown. Main varieties for this market are Williamette, Meeker, and Heritage.

TOTAL DOMESTIC PRODUCTION GRAPH BROKEN INTO FROZEN AND FRESH (T)

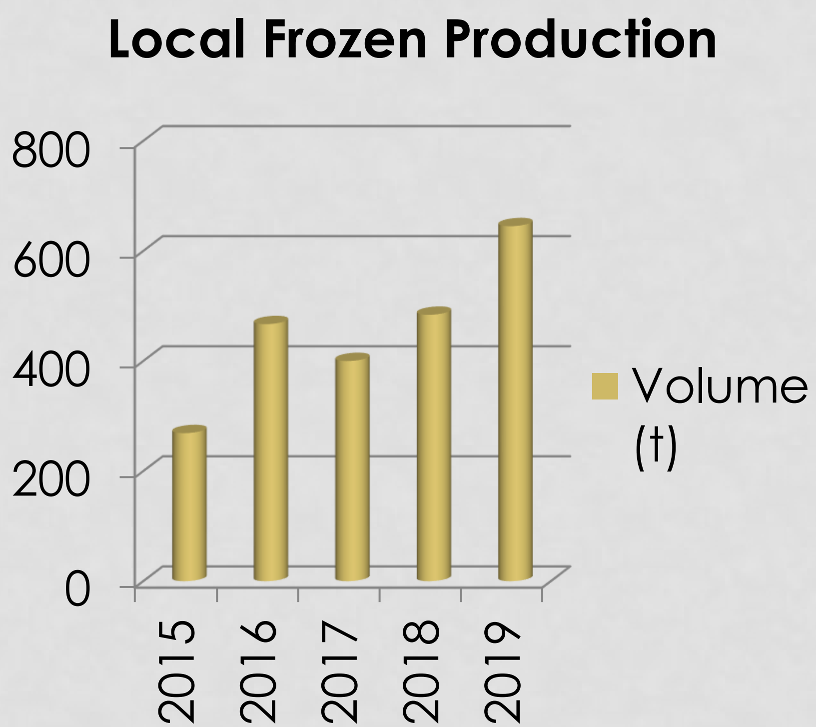


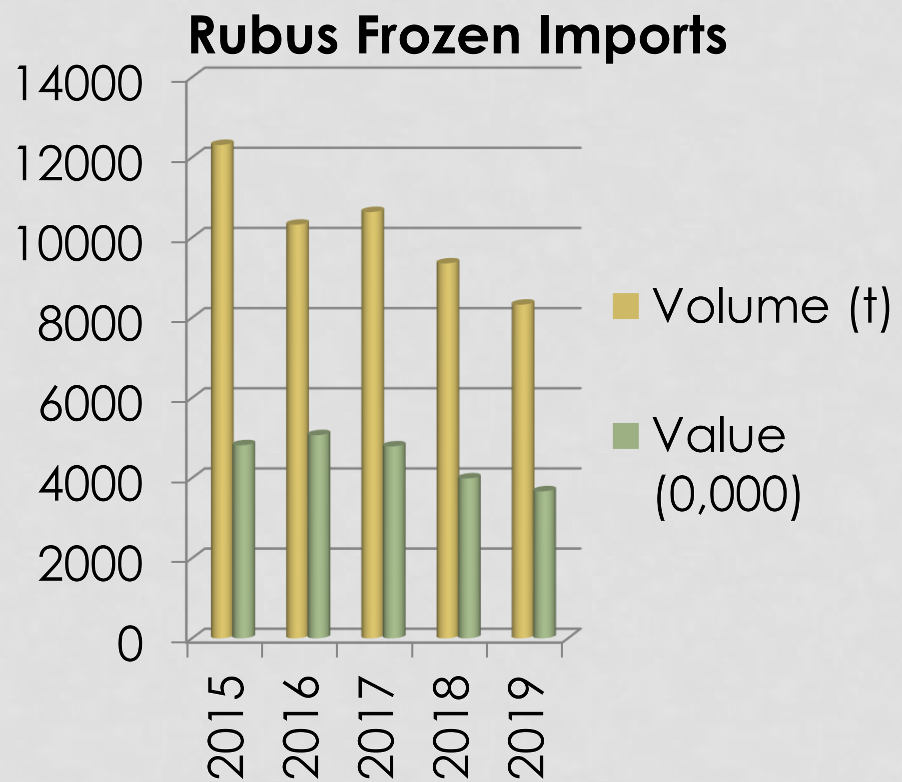
Here you can see the small percentage of locally produced frozen rubus compared to the amount of local fresh rubus. Last year this was about 6.8% of total rubus production. However you can also see the continued growth in the overall category of rubus in Australia, as demand has continued to be strong.

FROZEN LOCAL PRODUCTION VERSUS FROZEN IMPORTS VOL (METRIC TONS) FOR YEAR END JUNE

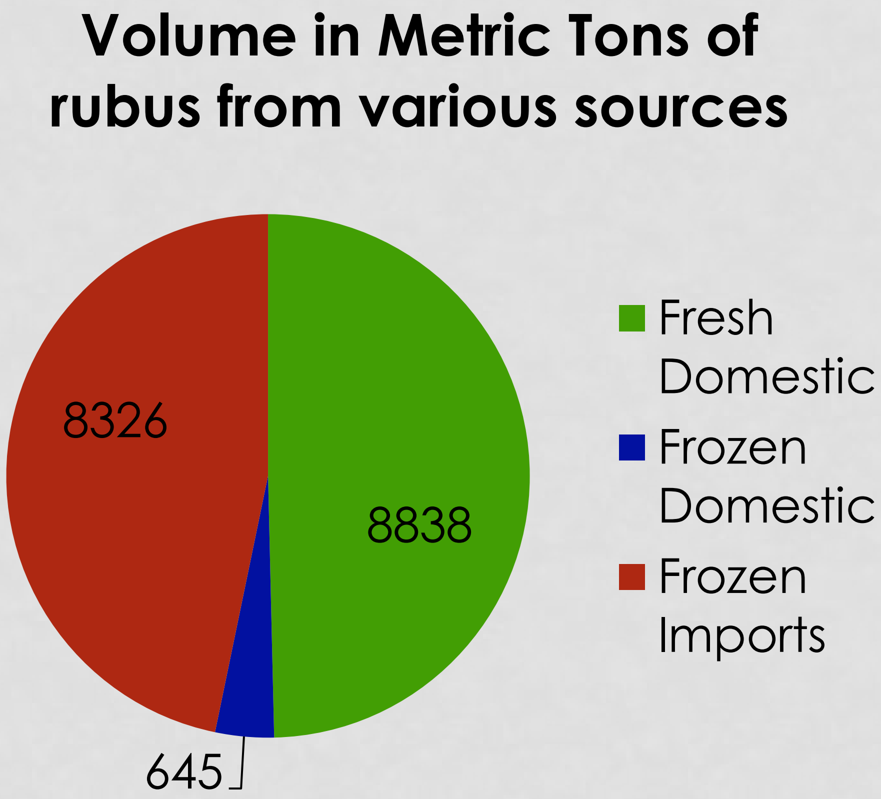
Small amounts of Local production for frozen, mostly seconds from fresh fruit supply. The majority used locally with only a small amount exported. Demand for local frozen product is strong however cost of production continues to remain a problem.

There has seen a small but steady decrease of imports over the past 5 years. Probably linked to incidence of Hepatitis A found in frozen berries back in 2015 as well as increasing supply of local fresh product. This has lessened the demand for overseas fruit as people are concerned about the health impacts coming from such fruit.





SOURCES OF TOTAL RUBUS USE IN AUSTRALIA 2018-2019



This graph shows for the first time in decades that Domestic rubus production, combined fresh and frozen has surpassed the total amount of imported fruit. There is no imported fresh fruit at the current time because of Quarantine restrictions.

This is a drastic change over the past 5 years from when domestic production was only about 25% of frozen imports.

OUTLOOK FOR 2020-2021

Much uncertainty around Covid-19, with southern season, Victoria and Tasmania having finished and northern states, New South Wales and Queensland, only just beginning their season. Unsure of how sales will be impacted by the ongoing situation as well as access to labour for harvest and packing.

Continued planting growth and demand up until this point, with interest in both raspberries but also increased interest in Blackberries.   Sales have continued to be strong with more focus on marketing of all berry categories together.

Varietal change continues to be slow with 18 months in Quarantine for stock plants before any propagation of new varieties can begin. This makes a long lead time for any new varieties to be taken up.

Frozen fruit imports have decreased from 12,311 metric tonnes in 2015 to only 8,326 metric tonnes in 2019. Hard to project whether this trend will continue in 2020-21, due to current financial uncertainty.