

BIG little WINS

Avocado

2020/2021 PACKING AGREEMENT



Welcome to Trevelyan's

In a world of much change and uncertainty, we are proud to be a business you can always rely on. That's because at Trevelyan's Pack and Cool Ltd, we are committed to putting growers' needs first.

Every decision we make is done with this approach in mind, which has helped us grow into the successful, trustworthy packhouse and cool storage company we are today.

We work alongside a range of growers, from large corporates to small, privately-owned orchards, and treat everyone equally. By working together, we ensure our orchard management, picking, packing and cool storage processes are as streamlined and efficient as possible.

We work hard to pack and ship your fruit in optimal condition, and pride ourselves on helping avocado growers achieve top orchard gate returns (OGR). We believe open and transparent communication is vital to success, and we encourage our growers and staff to voice their opinions and give feedback wherever possible to help improve our performance.



James Trevelyan - 0276 488 878

At Trevelyan's your fruit will be cared for in state-of-the-art facilities and you can expect our dedicated team to provide you with knowledgeable advice and professional services. We strive to be industry leaders and innovators – and to be as open and honest as possible.

We operate a single-site facility with five packhouses and 38 coolstores. Thanks to the growth in our kiwifruit division, we have been able to invest heavily in new infrastructure and systems technology, to ensure we are staying ahead of the game in this ever-changing and growing industry.

We believe it is always important to ask ourselves, 'How can we do better?' and our commitment to continuous improvement has resulted in improved efficiencies, as well as increased social, economic and environmental sustainability. We call this Big Little Wins – small changes that add up to make a big difference for our growers, our staff, our business partners and the world in which we all work.

New Zealand's avocado industry is poised to grow significantly in the coming years. We look forward to helping our growers enjoy a successful and prosperous future.



Stephen Butler - 0275 177 999

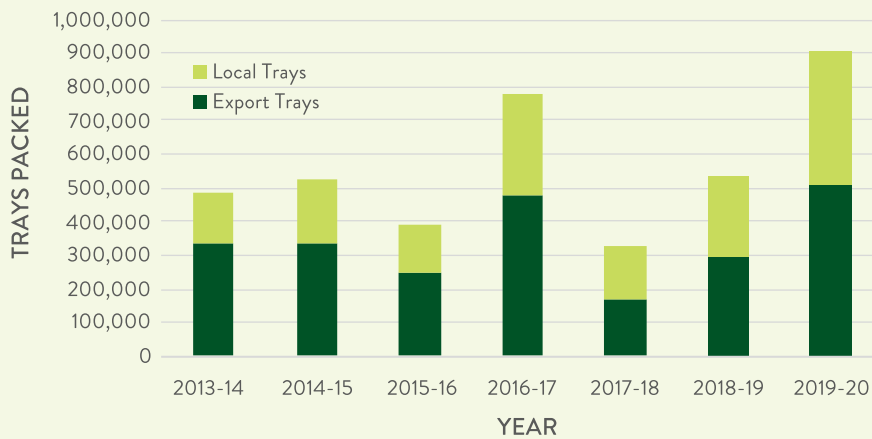
A close-up photograph of a person's hand touching a green, textured avocado. The avocado is in a cardboard box, and another avocado is visible in the foreground. The background is blurred, showing more of the box and possibly other people.

Contents

WELCOME TO TREVELYAN'S	... 01
2019 PERFORMANCE RESULTS	... 03
OUR PLACE, PEOPLE & OPERATION	... 05
GETTING TO KNOW US	... 07
TECHNICAL SUPPORT	... 08
EXPORT REQUIREMENTS	... 10
HARVEST REQUIREMENTS	... 11
AGREEMENT CONDITIONS	... 12
TREVELYAN'S CHARGES	... 13
CONDITIONS OF TRADE	... 14

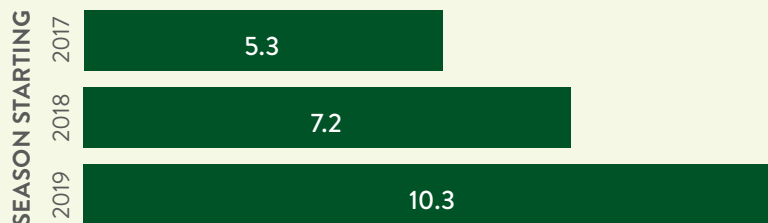
2019 Performance Results

Trevelyan's trays packed



Orchards supplying Trevelyan's

AVERAGE OF TONNES PER HA FOR THE PAST 3 YEARS



SPREAD OF AVOCADO ORCHARDS
SUPPLYING TREVELYAN'S
AND YIELD PER HA FOR THE 2019/20 SEASON





When you reflect on what has happened these past few months, it seems like fact is stranger than fiction.

From a global perspective, it's hard to fathom that a pandemic would cause mass casualties around the world, threaten health systems in numerous countries and bring airlines to their knees.

It makes you wonder, what's around the corner?

Fortunately, we're in a good place heading into the coming months with Trevelyan's enjoying a successful last season. We had a record number of avocados delivered to us by growers – more than 17,000 bins, which equates to 513,000 export trays. When combined with the local market numbers, we packed nearly one million trays of avocados total.

So what will this season look like? We hear that Australia is looking likely to be a strong market this year – but how much fruit will Asia take and at what value? And is South America going to enter the Australian market this season? The New Zealand market continues to increase in value, but can this be sustained – or even grow?

There are lots of questions about the future that we cannot influence or predict the answers to, but what we can do is grow great avocados.

At Trevelyan's we enjoy helping growers achieve their goals and will always focus on continuous improvement to keep ahead of the game.

At a packhouse level, we are continuing to try to understand what creates great fruit quality and will continue working with our growers, our domestic markets and AVOCO™, to improve.

We really enjoy the interaction we have with our suppliers and contractors, and helping put everything together to get a great result.

Thanks again for your business; we appreciate it. We are looking forward to another successful season and we will be ready for whatever comes our way.

Daniel Birnie
Avocado Manager

Our Place, People & Operation

“What sets us apart is our commitment to work smart by embracing innovation and quality, respecting our people by fostering strong partnerships, and treading lightly by looking after our natural resources.”

Place

Five export packhouses and 38 coolstores featuring modern technology are situated on the largest single – site kiwifruit and avocado packing operation in New Zealand.

Established in 1971, our site is spread over 20ha and includes extensive covered canopies to allow us to load out product in all weather conditions.

Product

Trevelyan's packs avocados for around 230 growers, from the Coromandel to the East Cape, including Hawke's Bay and Motiti Island. We pack 12 months of the year to supply export and domestic markets.

People

Trevelyan's employs approximately 170 permanent staff. We experience low staff turnover and are proud to have many long-serving employees. As a family owned and operated business, a supportive company culture is important to us – a value we attribute to our high number of long-standing employees and low staff turnover.

Trevelyan's unique single site means all senior management are 'hands on' and are available to assist operations staff or their teams from the same location.

Our management philosophy focuses on increasing value through every aspect of our business.

Staff achieve this by using tools and improvement groups to understand their problems, then they solve them in a structured way, creating a loop of continuous improvement.

We are passionately committed to sustainable business practices and encourage our staff to consider the economic, social and environmental aspects of their work. This approach encourages staff to continuously improve and implement new ideas.

We have introduced these initiatives to the benefit of our growers, staff, customers, the wider community and our environment.

Health & Safety

Trevelyan's goal of having a safe and healthy work environment is well embedded in our culture.

The systems and processes we have in place ensures that the business, workers, contractors and visitors alike, understands their responsibilities and play a vital role in delivering a healthy and safe workplace.

Initiatives and improvements continue to be led by our senior management team, monitored by our Health and Safety Manager and the Health and Safety Committee, to ensure employee involvement throughout.

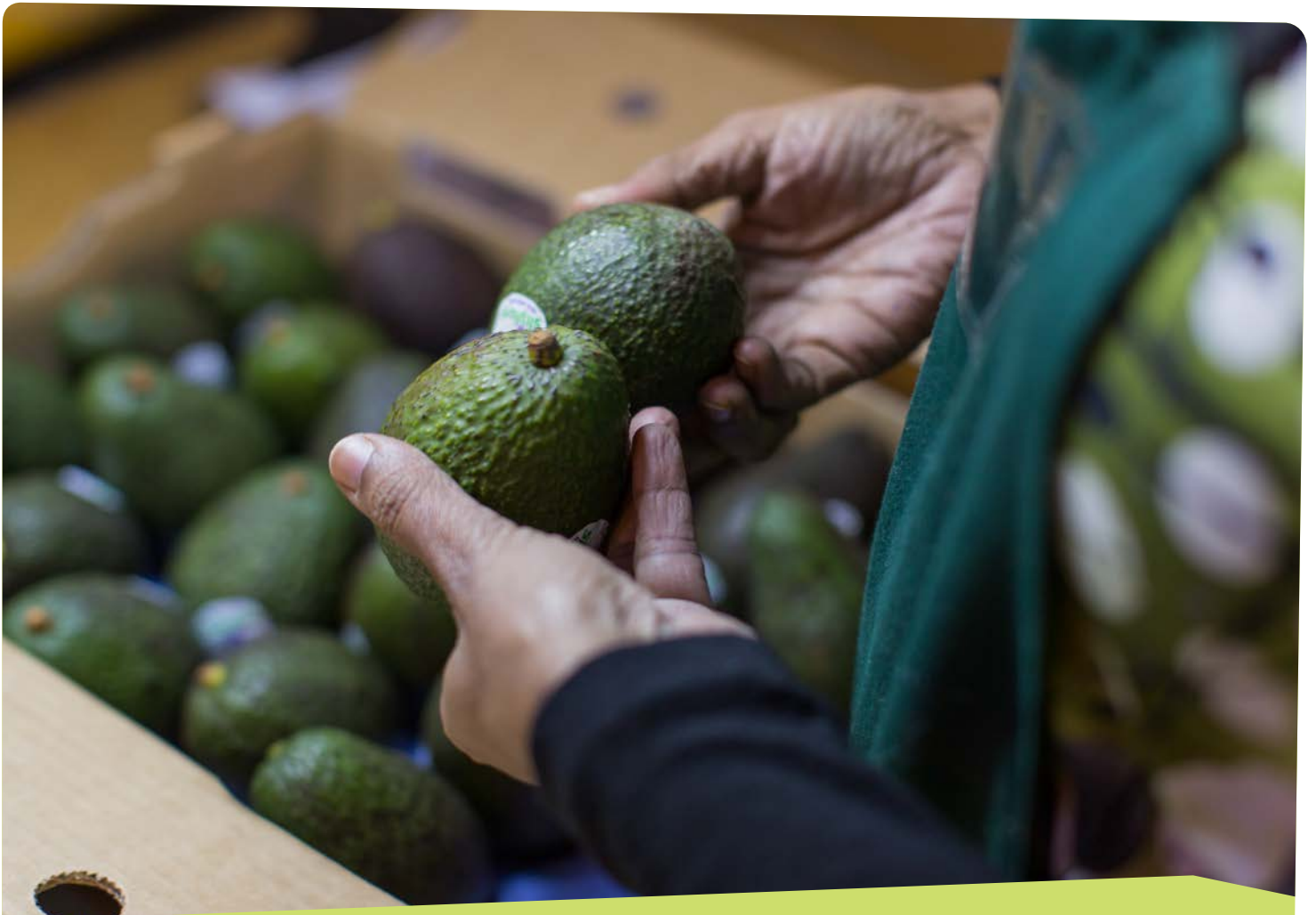
Partnerships

Our avocados are marketed and exported through AVOCO™ Grower Relationship Committee – a partnership company that is the largest exporter of avocados from New Zealand. The formation of AVOCO™ is designed to ensure a long-term sustainable future for the avocado industry, with higher returns and a focus on new market development. Trevelyan's growers will be able to export through either Primor or Southern Produce Limited (the two members of AVOCO™).

AVOCO™ brings back maximum value for growers from the marketplace. Ron Bailey sits on the AVOCO™ grower relationship committee and can be contacted on 07 573 7098 for any discussion.

AVANZA Ltd is a joint venture marketing company by the AVOCO™ partners to market fruit into a number of other valuable Pacific Rim markets, including Australia, Japan, Korea, Thailand, Singapore, Malaysia, US and China.





Food Safety

- All export growers must be Global GAP certified, either through the AVOCO™ food safety programme, or through NZ GAP directly. The cost of this is to be borne by the grower. Growers must provide a grower declaration of food safety that meets the NZ Avocado Industry Council Food Safety Programme.
- All growers must have a PPIN assigned. All growers must be compliant to all food safety requirements at all times.
- If a grower becomes non-compliant they will go through the grower sanction process.
- Trevelyan's GAP team will assist new growers and existing growers with the compliance programme, its contents and explain how to meet the programme requirements to maintain compliance.
- Trevelyan's Pack and Cool Ltd will invoice growers direct for the food safety audit.
- All growers need to be registered with MPI for the Food Act.

Local Market

Trevelyan's packs avocados for the local market all-year round, which are then marketed and distributed under the BayFarms Ltd's brand. The sale of fruit on the domestic market is an important component of overall grower returns.

- A copy of BayFarms Ltd's conditions of trade are included on [page 14](#) of this document.
- BayFarms operates a fortnightly local market pool system based on the date of packing.
- To enable all proceeds and costs to be collected, the net proceeds are paid to the grower in one payment approximately six weeks after the pool is closed.
- Trevelyan's will maximise value for the grower for all grades of fruit (Class 1, Class 2, Class 3 and Processing) by using a variety of marketing channels.

EXAMPLE

PACK PERIOD	1-15 SEPT	16-30 SEPT
Payment date (approx.)	31 Oct	15 Nov



James Trevelyan

Managing Director



Stephen Butler

General Manager



Alister Hawkey

Executive Director



John Lewitt

Operations Manager

Getting To Know Us



Daniel Birnie

Avocado Manager



Jonathan Cutting

Avocado Technical Manager



Katherine Bell

Avocado Services



Anne Partridge

Nursery Manager/Grower Services



Kim Borowicz

Grower Payments



Lance Dodd

Domestic Market Manager



Christine Broad

Harvest Manager



Raewyn Taite

Packhouse Manager



Mike McCauley

Coolstore Manager



Christine Draffin

Quality & Compliance Manager



Amrit Singh

EDI Manager



Tei Fairburn

AvoGreen Coordinator



Jaspreet Brar

Lab Administrator



Tracey Powley

Lab Supervisor/Maps



Zara Marra

Marketing

Avocado Shed Committee

RON BAILEY - Chair, Te Puke

BRIAN HUNT - Opotiki

BRIEN JAMES - Katikati

WILSON MCGILLIVRAY - Katikati

LEIGH NEILSON - Tauriko

KELSEA SYMES - Te Puke

ASHBY WHITEHEAD - Te Puna

ANDREW WYLIE - Te Puke

Technical Support

We are pleased to be able to offer a high level of technical support for our growers. Within our avocado team we have the experience, expertise and passion to assist you in producing large crops of good quality fruit.

- Fertiliser recommendations based on soil and leaf reports
- Fortnightly Technical Tips covering off recent AvoGreen results, orchard tasks and harvest information
- Regular field days and discussion groups
- Planting plans and budgets for new development blocks
- Orchard management options
- AvoGreen monitoring service
- Comparative reports
- Dry matter testing
- Quarterly newsletters
- Frost forecasts

AvoGreen® Pest Monitoring

Trevelyan's has an in-house team of AvoGreen monitors who are accredited with New Zealand Avocado to carry out pest monitoring on your orchard. AvoGreen uses the principles of Integrated Pest Management (IPM), an internationally recognised approach, to ensure pesticides are only used when needed. All growers must be AvoGreen compliant for their crop to be exported.

Orchard Management

Trevelyan's Managed Orchards is a division of Trevelyan's Pack and Cool Ltd. We can provide growers with a comprehensive range of on-orchard services plus expert advice to help maximise productivity and minimise the stress involved in orchard management. This includes all on-orchard operations, budgeting, administration and assistance for compliance requirements. There are many options, from partial to full orchard management.





Export Requirements

REQUIREMENT	NOTES	FREQUENCY REQUIRED
New Zealand Avocado Grower Registration	\$150 + GST before 12 August (\$300 + GST thereafter). Complete online.	Pre-harvest New Zealand Avocado phone 07 571 6147
Contract with Exporter	Sign and return to exporter.	Pre-harvest
Maturity Clearance	If picking prior to 1 Oct (to be confirmed). Packhouse sample: x 10 fruit Independent sample: x 20 fruit.	Pre-harvest
Valid Growsafe Certificate	All sprays must be applied by a Growsafe-registered operator.	Pre-harvest
Spray Diary	It is the grower's responsibility to ensure their spray diary is updated after every spray. Valid for 14 days from date of verification. Please ensure spray diary is current prior to harvest commencing.	Pre-harvest and update every 14 days when harvesting continuously
Grower Food Safety Declaration	Complete copy attached and provide to Trevelyan's Pack and Cool Ltd.	Pre-harvest
Residue Testing	Depending on market requirements and chemicals applied, a pre-harvest residue test may be required to be provided to Trevelyan's Pack and Cool Ltd.	Pre-harvest
Trevelyan's Agreement	Complete copy attached and provide to Trevelyan's Pack and Cool Ltd.	Pre-harvest
Trevelyan's AvoGreen Contract	Complete copy attached and provide to Trevelyan's Pack and Cool Ltd (if monitored by Trevelyan's Pack and Cool Ltd).	Pre-harvest
Map of Orchard	Please confirm map of orchard and any changes.	Pre-harvest
Gap Audit	Please call Trevelyan's to arrange an audit	Pre-harvest
Thailand Agreement	Complete online.	Annually
China Agreement	Complete online.	Annually

Requirements

Harvest

Trevelyan's will manage the harvest, working with the exporter and grower to match exporter requirements (the flowplan into the market place), and to minimise onshore timelines. Growers should liaise directly with Trevelyan's as to when fruit can be harvested. In terms of harvest, the grower takes responsibility for meeting all exporter, Trevelyan's and industry clearance to pick requirements including (but not limited to), AvoGreen, spray diary compliance, GAP audits, residue testing and maturity requirements.

Ultimately the grower takes responsibility for fruit quality in the market, and the decision to harvest, as per Export Marketing Strategy (EMS) requirements. The grower (and/or harvest contractor) undertakes to always communicate with Trevelyan's regarding their harvest. Harvest decisions must be communicated with your grower services rep and/or our harvest coordinator.

Trevelyan's role is to impartially manage the harvest, collectively and on behalf of all our growers, according to the EMS and exporter requirements and direction. Trevelyan's meets the EMS requirements and we follow best practice. We encourage all our growers to do the same. Our performance is continuously monitored by NZ Avocado and AVOCO™, and reviewed by the Trevelyan's Avocado Shed Committee.

Trevelyan's undertakes to inform growers and will assist you in achieving your requirements for harvest. Where necessary, we will inform you about exporter changes during the season that affect your harvest.

Growers can pick their own fruit or Trevelyan's can arrange a contractor to pick.

Bin Supply & Cards

Our traceability system begins in the orchard, with bin cards attached to each and every bin of fruit with the following information recorded: Orchard grower number, maturity area, block and harvest date. This ensures fruit can be easily traced back through our supply chain if necessary.

Please staple the bin cards provided to the right-hand corner of the field bin with all details completed.

Orchard Map & Maturity Sampling

Trevelyan's will generate a map of your orchard. All fruit supplied for both export and local market will require an independent Eurofins test prior to a clearance to pick being issued, until such time as NZ Avocado issues a dispensation. All results can be found on the Eurofins website; please call them on 07 549 1044 to arrange a password.

Clearance to Pick

Growers must not pick without a current clearance to pick. Prior to picking, please confirm with the packhouse that all documentation is in place and maturity requirements have been met.

The full list of export requirements is set out on [page 10](#).

A clearance to pick must be issued prior to picking and has to be re-issued every 14 days.

Spray Diary

It is the grower's responsibility to ensure their spray diary is updated after each spray. It is also the grower's responsibility to make sure all withholding periods are adhered to and that fruit, when harvested, meets all food safety requirements.

Growers agree that residue tests completed for the exporter by a third party will be shared with NZ Avocado. Please update your spray diary within 14 days of the spray application.

Fruit Delivery

Fruit needs to be delivered daily to Trevelyan's Pack and Cool Ltd to ensure fruit can be cooled before packing. We have on-site security/forklift drivers who will be available to unload your bins until 8pm, or later if pre-arranged.

Delivery of bins from orchard to packhouse can be arranged through Trevelyan's. Brett Hutchings runs H2 Contracting and can be contacted on 0274 946 655.

Trevelyan's is not liable in the event your avocados are damaged as a result of hail, wind, frost, disease or any other event prior to picking or delivery to the packhouse.

From the time the fruit is received into the packhouse to the time of loadout, the fruit will be subject to the food safety and quality systems of the packhouse. When fruit arrives in the packhouse a bin receipt form will be filled in by a packhouse representative as a record of all fruit received.

The total number of bins tipped is checked against the total number of bins received on site.

Orchard Health & Safety

As part of this contract, Trevelyan's need to ensure that as a PCBU, all growers are aware of their responsibility for ensuring that they have a Health & Safety Policy in place, demonstrating their commitment to health and safety on their orchard. This policy should be reviewed as a minimum on an annual basis. Advice is available from a number of reputable health and safety consultancies. Please do not disregard the importance of this document.

PCBU's are also made aware of their responsibilities for ensuring that all contractors and visitors booked on and off their orchards, and are made aware of the sites hazards, their locations and how they are currently mitigated. These hazard and risk registers must be updated as hazards and risks are identified and amended when the hazard has been eliminated.

The health and safety of each orchard is firmly the PCBU's responsibility.

Agreement Conditions

Water Blasting

We water blast all our avocados to remove any debris or surface deposits, to help them be pest free. This process enables us to provide the best quality avocados to market in a clean, healthy state for the consumer.

Packing for Export

The grower and Trevelyan's Pack and Cool Ltd agree to comply with the EMS, and both parties will be registered with NZ Avocado as per the EMS requirements.

Where the terms of this proposal conflict with those of the EMS, the terms of the EMS will prevail.

Library Fruit

Library trays will be collected for each PPIN and analysed in accordance with the EMS and Quality Manual.

The loss of return for the fruit provided for library trays is to be borne by the grower.

Results will be emailed out to you by NZ Avocado.

Growers must provide consent to the packer and exporter when access to the library tray data pertaining to their PPIN is required for the customer.

Growers give Trevelyan's permission to access library tray data.

Grower Payments

Payment for export trays is made direct to the grower from the exporter. See the exporter proposals for details of cash flow and pooling arrangements.

Payment for BayFarms Ltd local market trays is via a fortnightly pool system based on the date of packing.

The net proceeds are paid to the grower by BayFarms Ltd approximately six weeks after the pool is closed and settled.

BayFarms' oil payments will be divided into two pools over the season – one from the start of the season to December and one from January until the end of that season's fruit (approximately July). Payment will be made when reconciliation is completed.

Growers give Trevelyan's Pack and Cool Ltd consent to access OGR information from the exporter for reporting purposes.

Risk & Insurance

The exporter will carry insurance cover from the time fruit leaves the coolstore until arrival in the marketplace.

Trevelyan's Pack and Cool Ltd has Bailees Liability insurance cover while fruit is in our care to cover any loss or damage to fruit through negligence.

Trevelyan's Pack and Cool Ltd will not be liable for any loss of, or damage to, the grower's fruit except liability caused by any negligent act or omission by Trevelyan's Pack and Cool Ltd.





Trevelyan's Charges

Export Packing

Table 1 shows our packing charges, which are based on the number of bins picked on any one day. This is a change from previous years, where we have combined two days of picking for the rebate. The packing charges are an all-inclusive price of packing, packaging and cool storage.

Export packing charges will be paid to the packhouse by the exporters as a deduction from grower returns. The grower will be charged at the base rate (\$5.48), and the volume discount will be rebated at the end of the export season. Any change to the pack mix will be reconciled by the exporter.

TABLE 1:

		BINS PICKED IN ONE DAY		
		21+ BINS	6-20 BINS	1-5 BINS
Export trays supplied	10,000+	\$4.15	\$4.67	\$5.33
	5,000 – 9,999	\$4.26	\$4.78	\$5.38
	1,000 – 4,999	\$4.36	\$4.88	\$5.43
	0 – 999	\$4.47	\$4.99	\$5.48

New packing rates for export and local market will apply from the first day of export packing.

New rates for AvoGreen monitoring will apply from 1 November.

Local Market Packing

Packing charge is \$4.67 per 5.5kg SLT equivalent (includes packing, packaging and cool storage). Freight to market will be charged at cost recovery.

Fruit supplied for processing will incur a charge of \$0.03 per kg.

Transport

\$8.50 + GST per bin

\$175 + GST minimum charge in Te Puke

\$210 + GST past Bell Rd or Paengaroa Roundabout

For areas past Tauranga Harbour Bridge and Pikoawai, a rate will be negotiated.

AvoGreen Monitoring

\$40 per hour and \$0.95 per km + GST.

Transport is only charged one way between Trevelyan's and the orchard (south of Tauranga), or one way between our Te Puna office and the orchard (north of Tauranga).

Conditions of Trade

BayFarms Limited - 2020 Conditions of Trade for Local Market Fruit

By signing an Avocado Packing Agreement with Trevelyan's Pack and Cool Limited, the Grower accepts and agrees it is bound by these Conditions of Trade. Such agreement is for the benefit of, and enforceable by, BayFarms Limited ("BayFarms") in accordance with the Contract and Commercial Law Act 2017.

1. The Grower appoints BayFarms as their agent to market and sell the Grower's domestic grade avocados and process grade avocados to the local market, including via online sales from www.bayfarms.net.nz ("Website").
 2. The Grower assigns to BayFarms all proceeds of sale from the Grower's domestic grade and process grade avocados and authorises BayFarms to receive and pool proceeds from the sale of such avocados as a bare trustee and agent.
 3. The local market pool operated by BayFarms shall be a fortnightly pool based on the day of packing with net proceeds paid to the Grower approximately 6 weeks after the pool has closed and settled. Oil payments will be divided into two pools spanning the season, with proceeds paid to the Grower when reconciliation is complete.
 4. The Grower authorises BayFarms to pay on its behalf, by way of deduction from fruit proceeds, the following deductions:
 - a. Direct costs and commissions payable to sales and marketing agents engaged by BayFarms, including in respect of Website sales;
 - b. Premiums on insurances arranged on the Grower's behalf;
 - c. Freight and any market storage charges;
 - d. Rental and freight charges for hire crates;
 - e. Packing and coolstorage charges payable to Trevelyan's Pack and Cool Ltd and other BayFarms' approved packhouses;
 - f. Any other direct costs necessarily incurred by BayFarms as the Grower's agent to achieve the sale of the Grower's domestic grade and process grade avocados;
 - g. A commission payment to BayFarms, calculated as 4% of the proceeds received and pooled from the sale of the Grower's fruit, net of the deductions outlined at (a) – (c) above, to cover administration and all other services provided by BayFarms.
- In the event that proceeds from the sale of the Grower's avocados are insufficient to cover the deductions outlined at (a) – (f) above, BayFarms will invoice the Grower for such charges and the Grower agrees to pay such charges.
5. The return to the Grower by BayFarms from the sale of avocados is to be the net realisation after meeting all direct costs and charges as outlined above.

The Grower agrees to accept the amount and timing of payments to the Grower in respect of the sale of the Grower's avocados to the local market as determined by BayFarms.
 6. In the event of a Grower pool payment being overpaid, BayFarms is entitled to seek repayment of such monies from the Grower, to be repaid within seven days of invoice.
 7. Trevelyan's Pack and Cool Limited carries Bailees Liability insurance for the Grower's crop whilst it is in their care. In all other cases, the Grower's crop remains at the Grower's risk and the Grower is responsible for fruit quality and all risk and charges associated with the sale of the Grower's avocados to the local market, whether direct or via the Website. While BayFarms will take all reasonable care in the marketing and sale of the Grower's avocados to the local market, BayFarms has no liability to the Grower, whether in contract, tort, negligence or otherwise, for any loss or damage suffered or incurred by the Grower in relation to the sale of the Grower's domestic and process grade avocados to the local market.

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trevelyan.co.nz

Trevelyan's
where growers come first

