

Trevelyan's Newsletter



Trevelyan's
Growing a better future

Overview »



James Trevelyan
Managing Director

What can you see?

On the 25th of April 2022, we had a very unfortunate accident on site, involving an employee pedestrian and a forklift. This resulted in one of our valued staff losing a lower portion of his leg. Rather than being fined, Worksafe allowed us to take the path of an Enforceable Undertaking (EU). There are four components to our EU:

1. Victim reparation.
2. Building a safer workplace.
3. Improving forklift safety in the kiwifruit industry.
4. Lifting safety awareness in the community.

The next 18 months will see us working through the above points, with an estimated cost to Trevelyan's of approximately \$600,000. We've committed to:

- Installing AI pedestrian detection systems on 40 of our forklifts and collaborating with the kiwifruit industry to spread the uptake of this technology and enhance safety.
- Investing in training to improve health and safety competency across the business.
- Providing reparations to the victim and funding for the Amputee Society of Waikato, Bay of Plenty and Districts.
- Funding scholarships for the Health and Safety Association of New Zealand.

The area that has concerned me the most was our inability to see the extent of risk, myself included.

My learnings are: To be able to see risk, we all need to start looking through different eyes, and when we see something we know is wrong or doesn't look right, we need to come together and step up. This is a cultural change challenge, not a compliance exercise.

Now as I walk the site, I am amazed at how much more I can see. The learnings have been painful, but more so for the employee whose life has permanently changed. I challenge everyone to look around their place of work and ask themselves, where is the risk?

Operations »

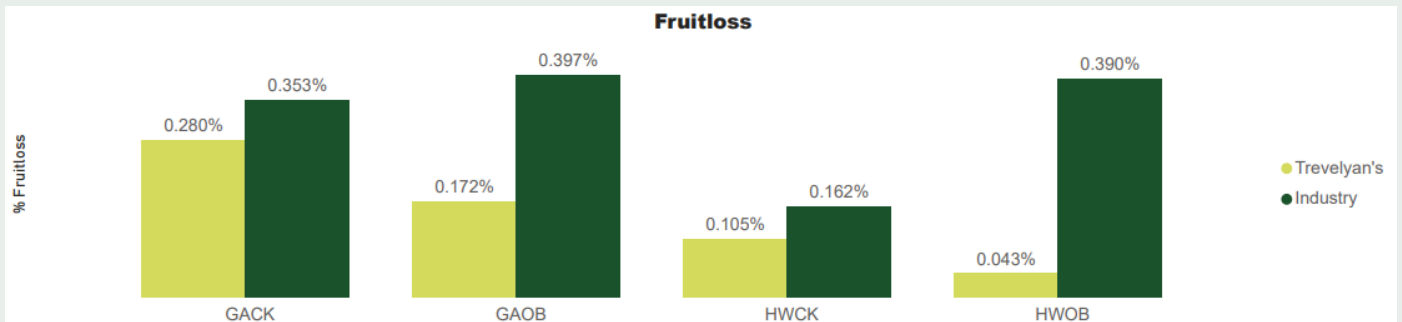


John Lewitt
Head of Operations &
Logistics

Third quarter update

We have shipped over 95% of our fruit across all fruit groups. Despite having less than 5% of our inventory remaining to ship, we still have our full team of condition-check and repack staff working diligently to meet our weekly shipping requirements. There are four charter vessels left to load this season, with the last of these scheduled to load in the middle of October. After that, weekly shipping volumes will reduce and just the container programme to the Asian and Australian markets will remain, which we anticipate will finish in early November.

Fruit quality has been good to date this season and fruit loss is tracking lower than the same time last year across all fruit groups. Trevelyan's fruit is also performing better than the industry again this season, with lower-than-industry-average fruit loss across all fruit groups. This can be seen in the graph below:



The main reason for repacking pallets across all fruit groups this season has been Physical Damage Rots. This has been higher in the SunGold variety than the Hayward variety and we are currently investigating how much of this difference could be associated with short stalks, which proved difficult to remove during picking. When the fruit is tipped out of the bin at the Bin Tip, the needle-like short stalk can cause a small puncture on surrounding fruit. This small puncture is almost impossible to see across both automated and manual grading processes and, therefore, ends up packed in a box. The puncture then develops into a rot in the cool store over time.

Looking ahead to the 2025 season, we are underway with a sizer upgrade on Pack-Line 2. This involves upgrading our current 6-Lane Sizer to an 8-Lane Sizer, which will increase packing capacity on Pack-Line 2 by up to 33%. We have also purchased a second IT Layered Auto Packer, which has been installed on Pack-Line 3. This means for the 2025 season we will have the ability to automate some of our IT layered packing across both Pack-Line 3 and Pack-Line 4.

The logo for Kiwifruit, featuring the word "Kiwifruit" in white text on a dark green rounded rectangular background, followed by a white double chevron symbol (»).

Mike Perrett
Head of Kiwifruit Grower
Services

SPE Complacency

The New Zealand kiwifruit industry's single-point-of-entry (SPE) structure is a well-recognised "jewel in the crown" of primary export-based industries. Over my 43-year working career, I've experienced deregulated and statutory-based single-desk structures for both the kiwifruit and apple industries. There is no doubt that the SPE has added, and continues to add, significant value to New Zealand kiwifruit growers through its marketing structure, logistical planning – both on and offshore, varietal development, political representation, and cooperative ability to navigate national-level challenges that impact the grower base.

The SPE structure is also integral in the value of industry assets, capital investment, and communities – both socially and in terms of facilities and infrastructure. The concern I continue to have, however, is whether the value that the SPE provides is at risk of complacency from the industry. Participants whose actions (through negligence or the undertaking of calculated, self-motivated business risks) incur additional costs or devalue market returns are also associated with the SPE structure.

The SPE position of the New Zealand kiwifruit industry is a privilege, not a right given to operate a business. We have a responsibility to ensure that our labour, orchard husbandry, and social and environmental practices are ethical, socially sound and focus strongly on the end customer. It is imperative that the Zespri brand is not degraded or devalued by a supplier base that does not hold these values in high regard. Allowing or accepting a "laissez-faire" attitude to the current structure would be detrimental to the entire industry.

A deregulated apple industry has survived, although the number and types of growers have changed significantly. There has been a significant shift to a corporatised ownership model and businesses are vertically integrated from orchard to market. Profitability has been challenging and, in comparison, the growth rate of kiwifruit has been significantly better.

As an industry, we must protect the SPE at all costs – calling out or discouraging practices that do not fit the Zespri brand ethos will benefit us all in the end.

Avocado »



Dan Birnie
Head of Avocado

Some spring in our step



It's the third week of September as I write this, and after a cold spell last week, it finally feels like spring has arrived; we can see bees on early polliniser flowers, and daylight savings started over the weekend.

Harvest has been going well, with good volumes of fruit coming in from orchards. Generally, there is more fruit on orchards than estimated, however, packouts have been lower than expected.

Fortunately, this season is looking very good market-wise. It sounds like Western Australia has less fruit than expected, and as a result, they are sending less fruit into Asia. What a turnaround in the space of 12 months. There is even demand for Class 2 and 3 fruit offshore.

However, a lot of this is down to good luck rather than good management.

We seem to be highly driven by the size of the Australian crop, and all indications are that they have a high volume of fruit coming on in the near future. Next year will likely be a tough market again.

At Trevelyan's, we're looking at supporting our avocado growers with a series of workshops over the next few months. The topics include:

- Nitrogen/ Calcium ratios – what they mean and what we can do about them.
- Sustaining high yields.
- Medium density pruning workshops.

We have also started some Trevelyan's grower social events, including monthly walks up the Papamoa Hills followed by refreshments at The Packhouse and an evening out at BayCourt to watch Les Mis. Keep an eye out for more invites shortly.

Organic »



Bex Astwood
Organic Category
Manager

What's been happening in the organics sector?

It's been a busy few months with many events happening around the organics sector – hopefully you have been able to attend some of them!

There was a Kiwifruit Regen/Soil Biology Discussion Group held at Leighton Oat's orchard in Omanawa. Organised by the Kiwifruit Regen/Soil Biology Group with assistance from Quorum Sense, we heard from Quorum Sense, Leighton Oats and Phil Carter. The discussion covered the importance of soil health, methods for soil testing, and techniques for visual soil assessment (VSA). This included learning about the significance of organic matter and carbon in soil, soil biology, the role of cover crops, and sward diversity and management.

Zespri hosted an Organic Townhall on Friday, September 13th. It was great to hear from Zespri's Tracy Armstrong, Product Manager Organics, Steven Martina, President Europe-North America, and Kok Hwee Ng, Marketing Global Manager, about the current season progress in organic sales and marketing, behaviours of overseas consumers and the benefits of global supply. If you missed the meeting, keep an eye out for the recording, which will be posted on Zespri Canopy.

The Zespri Board approved the August forecast for the 2024/25 season. These can be seen in the table below. It is great to see the industry forecast per hectare return for Organic Green at record levels again. Trevelyan's August per tray OGRs were \$13.84 for GAOB and \$10.90 for HWOB; further information, including individual OGR details and comparisons, can be found in the Trevelyan's Grower Portal.

Pool	2024/25 August Forecast Per Tray	2024/25 August Indicative Range Forecast Per Tray	2024/25 August Forecast Per Hectare	2024/25 August Indicative Range Forecast Per Hectare
Zespri Organic SunGold Kiwifruit (GAOB)	\$13.45	\$13.00 - \$14.00	\$138,390	\$134,000 - \$144,000
Zespri Organic Green Kiwifruit (HWOB)	\$11.10	\$10.60 - \$11.60	\$84,903	\$81,000 - \$89,000

Source: August forecast for the 2024/25 season: Zespri Kiwiflier September 2024

Continued

The New Zealand Government has announced there will be a review of the gene technology (also known as genetic engineering or genetic modification) rules within New Zealand. The organic sector needs to be actively engaged in the discussions and make sure that factors relating to organics, such as organic certification, future varieties, and the value of leveraging a non-GMO position across New Zealand's primary sector, have been adequately considered and addressed.

Horticulture New Zealand (HortNZ) wants to understand the perspective of growers and is undertaking pre-consultation before the Bill is released. I recommend that you attend the online kiwifruit grower meeting where HortNZ will explain the Government's proposal and how it compares to regulations in other countries. **There will also be an opportunity for you to ask questions and raise concerns.**

When: 12.30 pm **Thursday, 3 October 2024.**

[Register here.](#)

Technical »



Gordon Skipage
Head of Technical

Deciphering science from opinion

In the fast-paced world of horticulture, the ability to distinguish between science and opinion has never been more important. This is especially true for New Zealand's kiwifruit and avocado industries, sectors that not only contribute billions to the economy, but also face an increasing wave of public scrutiny, market trends, and climate challenges. As scientific advancements continue to shape the future of farming, understanding how to separate evidence-based practices from popular opinion is crucial for sustainable growth.

The global horticultural market is flooded with trends and opinions that can sometimes overshadow hard facts - growers in New Zealand are no strangers to this. From debates about organic and regenerative farming to discussions around new pest control methods, our industry often grapples with the task of discerning credible information from hearsay. Scientific research plays a pivotal role in optimising production, improving plant health, and increasing yield. However, navigating the complex web of media hype, influencer opinions, and non-expert advice can create confusion.

An example of this is the debate on regenerative versus conventional farming. While regenerative methods are often portrayed as better for the environment and consumer health, science shows that applying some regenerative practices to conventional farming (such as integrated pest management or eliminating weed strips) can be equally sustainable and yield efficient results. In short, a full and immediate departure from traditional practices isn't necessary, both approaches can work in tandem. Developing research provides evidence-based strategies that enhance fruit production, minimise pesticide use, and ensure long-term soil health. Opinions lacking this scientific grounding may lead to decisions that could hinder production or misinform the public and growers.

Therefore, thinking critically about farming information is important. Not all claims are based on science, and knowing this helps growers make better choices. Whether it's about using new technologies or understanding the environmental effects of farming, growers should rely on data that has been tested, not just opinions.

We are very fortunate at Trevelyan's to have a technical team that spends much of their time deciphering science from opinion, and good science from poor. We aim to only bring you information that has foundations in solid science, even if it pushes the boundaries of established growing practices. Sometimes being a leader is difficult, but growing practices wouldn't have evolved over the years without such an approach, and we would still be growing as our pioneer growers did decades ago.

Sustainability »



Sarah Lei
Head of Sustainability

Hitting our targets

At the Momentum Conference in February 2020, Zespri announced sustainability targets for the industry. These targets are part of a wider Industry Sustainability Framework that states, “Our purpose is to help people, communities and the environment around the world thrive through the goodness of kiwifruit.”

Progress towards achieving these targets is detailed in the Zespri Annual Report. A brief review of the latest report indicates that progress has been slow, and with several deadlines coming up in 2025, it is difficult to see these targets being achieved.

2023/4 Kiwifruit Industry Sustainability Targets Scorecard

Likelihood of achieving targets: Unlikely Possible/difficult to measure Achieved

Focus	Targets	2020/1 Baseline	2023/4 Progress
Climate Change	We will work with our partners to be carbon-positive by 2035	Last measured in 2017	Reduced shipping emissions
	Zespri corporate will be carbon neutral by 2025	8,600 tCO ₂ -e	4,700 tCO ₂ -e Reduced air travel Increased vehicle fuel
	Our industry will be carbon-positive to our retailers by 2030	Last measured in 2017	Continued carbon-neutral trial. Completed science-aligned net-zero roadmap.
	Zespri will report on its climate risks and opportunities by August 2021 and develop an industry-wide adaptation plan by December 2022		Completed
Packaging	Our packaging will be 100% recyclable, reusable or compostable by 2025	86%	88%
	Any plastic packaging we use will be made from at least 30% recycled plastic by 2025	11%	16%
	We will reduce our packaging footprint, per kg of fruit, by 25% by 2030		8% increase from baseline
Water Quality	Zespri growers are protecting and enhancing water quality by demonstrating alignment of nutrient inputs and losses to good practice limits by 2025		New tools to facilitate consistency in measurement & reporting, such as Freshwater Farm Plan pilot
	Zespri growers use monitoring technology to actively manage and demonstrate efficient use of our precious water resources by 2025		Supported grower & industry understanding of regulatory & market requirements

Continued

Scrolling through the latest updates from several well-known organisations that have previously taken a proactive stance on sustainability, including Unilever and Air New Zealand, shows that they are facing similar challenges.

At the same time, the 2024 Zespri Annual Report notes that:

“Providing kiwifruit produced in a way which meets the increasingly stringent expectations of customers, communities, and regulators is critical to protecting value for growers.”

As an industry, we are facing increased pressure to provide sustainable products while struggling to meet critical targets that will ensure we can continue to produce these products in a stable environment.

Zespri is currently reviewing the sustainability work programme, including the scope and timing of the targets, and have reiterated their commitment to reducing the environmental impact of the industry. We can all play an important part in establishing critical targets and supporting the industry to achieve these goals.

At Trevelyan’s, we began our sustainability journey in 2011. Since then, we have encountered many problems, but we’ve used a continuous improvement mindset to turn these into opportunities, as outlined in the following table.

Problems	Opportunities
Sustainability has evolved a lot in the last few years	<ul style="list-style-type: none"> Stay agile and adaptive, be prepared to modify your approach as you learn and evolve. Keep up to date with the latest developments and what others are doing.
Sustainable change can take a long time to achieve	<ul style="list-style-type: none"> Measure your starting point (baseline) to get a better idea of the journey ahead. Set short-term and long-term sustainability goals so you can regularly track progress.
Sustainability can be expensive	<ul style="list-style-type: none"> Account for all the benefits as well as the costs and balance these against the environmental and social impacts. Make sure you understand the future risks and costs of not adapting now.
Sustainable progress is often outside our control	<ul style="list-style-type: none"> Understand your value chain and where you can influence change. Take as many people on the sustainability journey with you as you can and learn from each other.
Sustainability challenges our personal views	<ul style="list-style-type: none"> Make sure your sustainability metrics are based on sound, scientific principles, and grounded within tangible, measurable facts. Measure everything that you can, especially financial metrics. Keep improving your data and don’t be scared to share the results even if they aren’t good.

Continued

We report weekly on our progress towards our sustainability targets. The following chart shows how we are going so far this year, using our targets and actuals through to the end of August. Will we hit our 2024 targets? There's still plenty of time and challenges to come, and it's going to be tight, but we will give it our best shot!



References

1. <https://www.linkedin.com/pulse/unilever-profits-up-purpose-down-jonathon-porrirt-pdsoe/>
2. <https://www.rnz.co.nz/news/national/523578/air-new-zealand-pulls-the-plug-on-2030-climate-targets>
3. <https://www.zespri.com/content/dam/zespri/nz/publications/annual-reports/Zespri-Annual-Report-23-24.pdf>

The logo for TGL, consisting of the letters 'TGL' in a white, bold, sans-serif font, followed by two white chevrons pointing to the right. The logo is set against a dark green, rounded rectangular background.

Colin Olesen
TGL Chair

A steady ship moving in the right direction?

This year's Annual General Meeting and elections have been completed. Simon Cook, Heather Hawkey, and Colin Olesen were re-elected to the TGL Board for a further three-year term. There were five candidates for the election which I regard as a healthy situation.

At the first TGL Directors' Meeting after the AGM, Colin Olesen was re-elected Chair, as was Simon Cook to the position of Deputy Chair.

There were two nominations for the position of Associate Director, with Ashdon Reid being appointed for a two-year term. Courtney Bragg, our other Associate Director, enters her second year in that role.

Six TGL Directors are currently on a self-funded visit to Greece and Italy where they are looking at local kiwifruit orchards that grow Zespri Global Supply (ZGS) fruit, packhouses that pack and store ZGS fruit, and talking with local Zespri staff and customers. The primary purpose of the trip is to be better informed about the ZGS side of the kiwifruit business in anticipation of the producer vote. This producer vote is on the expansion of the ZGS hectares planted in the Northern Hemisphere to enable a twelve-month supply of Zespri standard kiwifruit to the market worldwide. Zespri have provided plenty of information about this in recent months, along with opportunities for dialogue with Zespri staff and Zespri's European customers. Please make every effort to learn as much as you can about the producer vote. Ask questions to your TGL Directors. The vote will affect the future of our industry and your orchard, so it is important.

Presently, the onshore storage results for Trevelyan's fruit are the best in many years, and again, well above industry-wide results. There is still a little while to go to complete the year's sales, with Zespri reporting excellent sales rates in recent weeks. Our latest OGR season estimates continue to reflect an above-average return per canopy hectare, which is great. A sign again of excellent fruit provided from our orchards, along with the Trevelyan's team doing an excellent job of storing and monitoring our fruit.

Happy sailing, especially if you are an America's Cup fan.



TAGL »

Ashby Whitehead
TAGL Chair

A bit of history

For a number of years, Trevelyan's had an informal group of growers meet regularly to discuss grower issues. This was known as the Avocado Shed Committee and involved Brien James, Brian Hunt (from Opotiki) Leigh Neilson, Andrew Wylie, Kelsea Symes, and myself. After the 2021/22 avocado season, the Avocado Shed Committee decided to formalise itself, setting up the company Trevelyan Avocado Growers Ltd (TAGL). We held a well-attended Avocado Grower Meeting at the Orchard Church, and support for the new structure was approved.

TAGL was modelled on Trevelyan Growers Ltd (TGL), which has three Trevelyan's Pack and Cool Ltd (Trevelyan's) Directors and nine grower Directors. This group receives all funds from Zespri (and other businesses that purchase growers' kiwifruit, mainly Nutrikiwi, which supplies Class 2 fruit to Australia, and the Gold Kiwifruit Company, which supplies fruit to the New Zealand market), pays Trevelyan's for the packing services, and then pays growers for the fruit supplied.

Recently, TAGL and Trevelyan's purchased BayFarms Ltd for a nominal fee. BayFarms was previously owned by Ron Bailey and Alister Hawkey, who set it up in the 1990's to sell their own avocados predominantly, but now markets all the Class 2, 3 and processing-grade fruit of growers that supply Trevelyan's. There are four Directors of BayFarms: Wilson McGillivray, James Trevelyan, Steve Butler and myself.

I would like to take this opportunity to thank Trevelyan's on behalf of growers for managing BayFarms in the past. As growers, we can now look forward to the new fifty-fifty partnership with Trevelyan's. Growers can have input through their elected TAGL representatives or through the Directors of Bayfarms.

We now have a structure which should serve us well into the future.

The current Directors of TAGL are:

Ron Bailey
Wilson McGillivray
Shayne Phillips
Anna Haycock
Jared Lee
Andrew Ball
Nigel McPherson
Dave Binney
Ashby Whitehead

General »



Trevelyan's fire pond

In November 2023, Trevelyan's engaged SABRE Construction to deliver a 6,000,000-litre fire pond (that's enough litres of water to fill 2.4 Olympic-sized swimming pools!) for site insurance compliance and firefighting capability. The pond has been constructed within the gully at the rear of our site and was designed to limit damage to the gully from any serious weather event.

Construction began in January 2024 and has included earth, mechanical and electrical works, along with both remote and manual operational capability, thanks to our IT and electrical service partners, VisionLab and EMAC. In the next two weeks, Willoughby Fire will complete the installation of the water pump and commissioning of the reticulation and fire hydrants, thereby delivering Phase 1 of Trevelyan's on-site firefighting capability.

The project also included the reinstatement of our walking track for employee health and wellness, which will be open for our team to use once safety barriers have been installed.

