

Trevelyan's Newsletter

Trevelyan's
Growing a better future

Overview »



James Trevelyan
Managing Director

Our direction of momentum

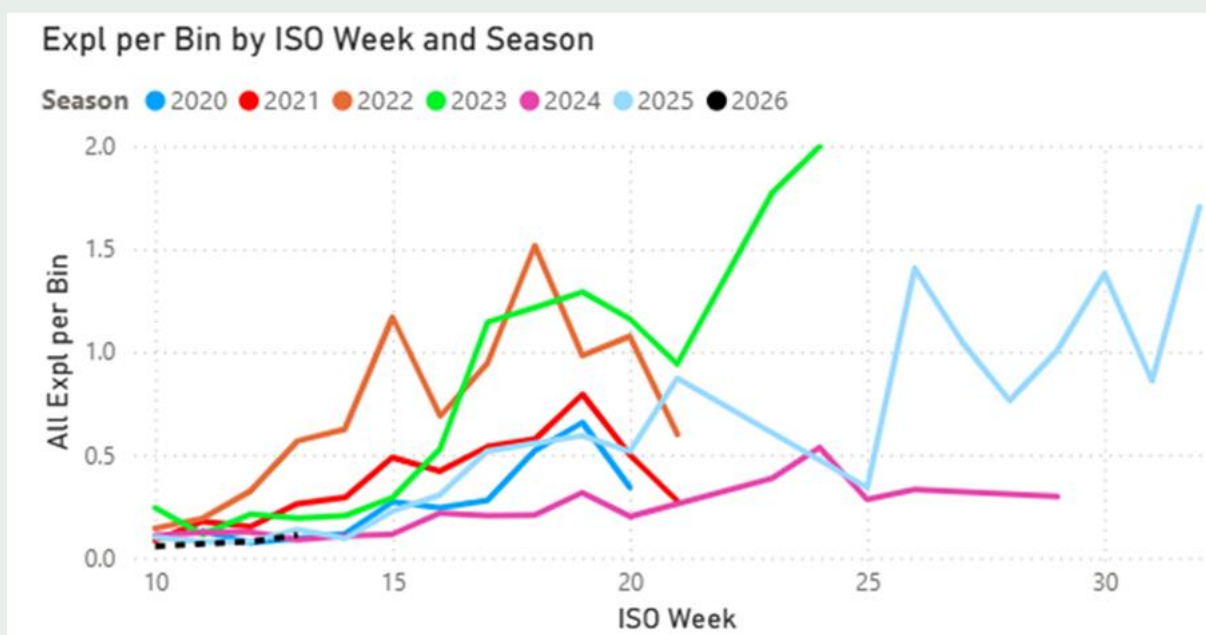
As I walked into the Zespri Momentum conference, past kiwifruit growing in pots on a trellis structure, I wondered if this was the future of the New Zealand kiwifruit industry; controlling our growing environment rather than understanding our environment and growing accordingly.

A great example of controlling your environment is the European vegetable-growing region in southern Spain, known as “the sea of plastic.” In fact, 12,600 hectares of plastic houses provide 40–50 percent of Europe’s vegetables.

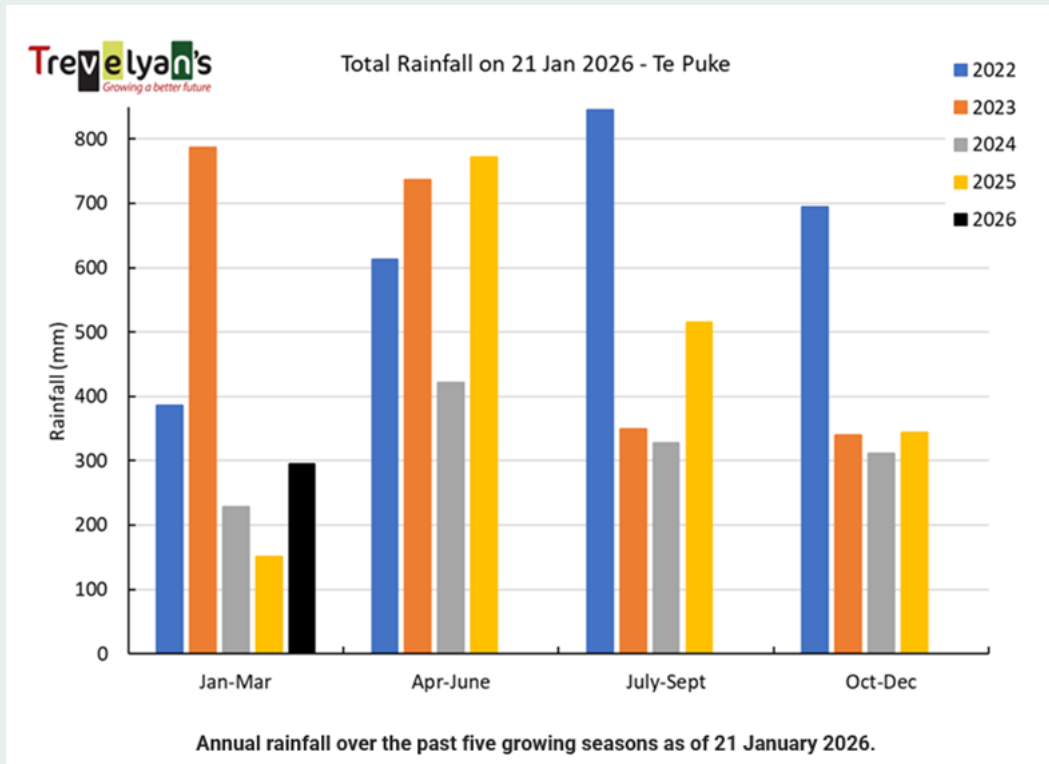
I find that the most important issue is understanding our current problems. Prior to each season, we reflect on previous seasons and consider where we need to improve. As we reviewed last year’s results, two areas stood out as costing both TPCL and our growing partners significantly: explosive fruit and short stalks.

When I look up explosive fruit online, I get the explanation that fruit drop in kiwifruit happens when the vine becomes stressed environmentally, nutritionally, physiologically, or hormonally, and sheds weak fruit that it can’t support.

The worst explosive years we have experienced were 2022 and 2023. In 2026, we are seeing comparatively less. If you look at the rainfall graph below, you could argue that we possibly haven’t had enough water stress during the current growing season, or am I getting ahead of myself?



Continued



Short stalks on vines seem to be a result of stress and maturity, but while investigations continue, my experience in managing short stalks is to have a quality control (QC) person who understands their risk in the orchard, for example: *Am I in grade or out of grade? Are all the short stalks coming from a single picker or a stressed vine?*

As Zespri strengthens their auditing structure to protect the offshore customer experience, we all need to capture this opportunity to look at our issues and consider how we can improve.

Will we try to control our growing environment to suppress these types of issues? Will we become better at understanding and working with the environment? Or will the future be a blend of both approaches?

Operations »



John Lewitt
Head of Operations &
Logistics

2026 kiwifruit packing season update

We are well underway with our 2026 kiwifruit packing season. We have completed packing all RubyRed for the season, bringing the total volume packed to 210,000 tray equivalents.

We have also completed packing Sweet Green, having packed 24,000 tray equivalents.

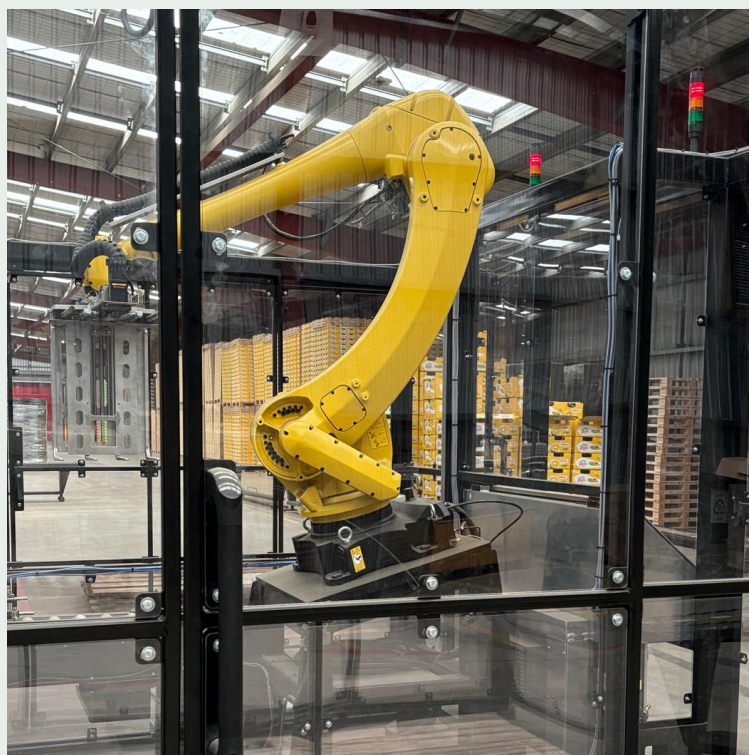
We have packed solid volumes of SunGold conventional, and, as of the end of Week 12, had packed just under three million tray equivalents.

We are also steadily packing our SunGold organic in Packhouse 3, and as of the end of Week 13, had packed over 150,000 tray equivalents.

Fruit quality overall has been good. Explosive soft fruit levels have been low so far this season and especially so in SunGold. We are hopeful that this trend will continue through MainPack.

We are finding high levels of short stalks in a small number of pack lines at our bin tip audits. While we do our best to mitigate short stalks at our bin tip and grading tables, there is still a risk that these short stalks puncture surrounding fruit and cause them to develop into rots in the coolstore. For this reason, we continue to encourage growers and harvest contractors to minimise short stalks at harvest, before they enter the bin.

Our new Electropack robotic palletiser in Packhouse 4 is working well. This robot can stack 24 packs per minute and builds two pallets simultaneously.



Continued

Our new Kenntec bulk box fillers in Packhouse 2 are in the final stages of commissioning. We have 12 of these installed and they can pack a combined volume of 40 packs per minute.



We have been operating with all 10 of our shifts since the 17th of March. This is the earliest that we have had all 10 shifts up and running. Since that date, we have been able to operate seven days a week, and we plan to continue this way for as long as it is required.

Kiwifruit »



Mike Perrett
Head of Kiwifruit Grower
Services

China in the world of kiwifruit

A few of us from Trevelyan's, along with some of our growers, recently had the pleasure of listening to David Mahon discuss China – topics included China's history, the agricultural and urban revolutions, the economy, politics (both internal and external) and the relevance of these topics to the kiwifruit industry.



David has lived in China for 40+ years, speaks fluent Mandarin and is the Executive Chairman of Mahon China, a firm that assists investors in realising value from stressed assets and nonperforming loans, and manages private equity funds (since the early 90's). Mahon China also helps foreign companies to enter and expand in the market, acquire assets, assess partners and analyse the Chinese economy. Mahon China provides support and guidance to Zespri on a number of fronts, including the current illegal G3 plantings. David has summarised the discussions over his two recent visits below. I have italicised David's responses below and included sentiment from growers in attendance, as well as some of my own observations, below that.

Continued

1) How will Zespri control Chinese G3, given it is now planted so widely and in such volume?

Some of the highest concentrations of good fruit are in two counties around Chengdu in Sichuan. Zespri would only need to authorise fewer than five orchards initially and procure them to form a strong coalition to pressure unauthorised growers to cut over to other local legal varieties, or different fruit altogether. The authorised orchards and the county and Sichuan provincial authorities are likely to work hard on Zespri's behalf to stop illegal competition.

Quality fruit from Tibet is also appearing in key retail markets such as Shenzhen. It is priced lower than Zespri Sun gold but is meeting with consumer approval. It is hard to know the extent of Class A fruit in Tibet as it is grown in strategically sensitive Zayul County, on China's border with India, so difficult for foreigners to visit, but the climate, sunshine hours and soil mean the region is ideally suited to growing G3. This region, like the Yi minority prefecture in Southern Sichuan on the Yunnan border, may need a special approach related to the Chinese objectives of rural development and poverty alleviation.

In the main, growers were able to see the reasoning behind such a plan/policy, but there were also reservations given that there is currently 7,000 hectares planted, of which up to 5000 hectares is Class 1 fruit- there is an issue of "trust" and the ability of Zespri to form strategic relationships with parties that would enable internal pressure to be placed on illegal plantings that were not selected to be part of a "coalition", whether they are growers and/or government representatives. David commented that through the procurement, distribution and sales channels of Zespri product in China, there was significant profits made by Chinese companies involved in the supply chain. These businesses, alongside the Chinese Government, will want to protect this position as it enables growth to the economy.

2) Why would Zespri share its IP and know-how with Chinese growers when imported New Zealand fruit earns good prices and margins each year?

Chinese orchards already have Zespri's IP, as traders stole G3 budwood almost ten years ago. Zespri won a seminal case against one Wuhan company (although the defendant has appealed the case to the highest provincial court), which stands as a useful precedent, but Zespri cannot litigate its way out of the China G3 dilemma alone; it needs its own procurement company in China. Chinese people have been farming for 5000 years, most of which has been gardening. Zespri's promotional videos alone have given Chinese kiwifruit growers enough information to work out how to build and manage orchards successfully. Many have just used their common sense. We must be careful in thinking New Zealanders are such exceptional horticulturalists that Chinese growers cannot match them.

I have not seen kiwifruit orchards in China first hand, but comments from growers who have stated that there are some very good orchards, alongside some orchards that are variable due to location, soil type, climate effects and management techniques.

Continued

3) We hear the Chinese economy is in crisis. Growth is slow, government debt high and consumer confidence has not recovered from the property crash. Will this not impact Zespri's ability to get good prices for its fruit?

Growth is slow, but the economy is recovering. In 2025, Chinese GDP grew by 5% and will likely grow by that much this year too. Household savings in the banks also exceeded USD 22 trillion, 80% of US GDP. Households lost money on the value of their properties in 2023 and 2024, and are reluctant to spend, but unlike the aftermath of crises in most western economies, where households struggle with marginal or even negative savings rates, Chinese consumers have money and will buy quality food. Kiwifruit is also perceived as having nutritional value other fruit cannot match.

The middle class will increase by 80 to 100 million people by 2030, taking it to more than 600 million. The middle class are getting younger and richer each year. Zespri has penetrated less than 30% of the potential Chinese kiwifruit consumer pool. There are no problems with future Chinese demand for Zespri's fruit.

I have listened to successive Zespri CEO's state a consistent message – “we need to grow China carefully and consistently” – we do not want to go past 30% of crop market share, even though returns by sale value and volume rank China as No. 1, overtaking Japan several years ago. David was certainly more bullish about the growth of China's middle class, their purchasing power and desire for quality food.

4) What are the geopolitical threats we need to consider?

China is weathering the US trade war against it and has already become the Asian regional hegemon, at least economically. The US has lost the struggle for primacy in Asia. Trump fears confronting China directly, just as he fears Russia. Taiwan is not the lone flash point it is often perceived to be; the Philippines is another new theatre of risk. Biden declared Philippine territory equivalent to US sovereign territory, and Washington will defend it. New Zealand's political relationship with China is in its worst state in 40 years. We participate in war games with America against China every year on the very fringes of Chinese territorial waters, and our Prime Minister and his key ministers have called China a threat to regional security and declared unity with US strategy on numerous occasions. All a company such as Zespri can do is continue to maintain good relations with its Chinese distributors and customers and the government officials it encounters. When possible, Zespri should share its insights with New Zealand Government ministers.

David's comments regarding New Zealand's political relationship with China gives obvious cause for concern given China is ranked number one as a trading partner for our primary exports in total – namely kiwifruit, other horticulture, dairy, beef and forestry. The current state of the world's geo-political tensions will only heighten the risk of strategic alliances and their respective effects on world trade.

Continued

5) Does Zespri perceive the scale of the G3 problem and know how to deal with it?

It does, and it can. It needs to bring New Zealand growers with it. Zespri is considering to establish a procurement company in Sichuan. I have suggested to Zespri it could be a small, lean business to start with, but could grow into a procurement platform providing 12 months' supply in China and delivering good returns to New Zealand growers. In my opinion, and I do not speak for Zespri, this strategy will mitigate the unauthorised China G3 threat significantly and potentially capture a sizable commercial opportunity.

This will be a serious discussion for New Zealand kiwifruit growers and the Zespri Board – there will be polarising views and the considered outcome will no doubt require a degree of compromise by all parties concerned.

On behalf of Trevelyan's, I would like to thank David for his contribution, commitment and the sharing of his knowledge and expertise with our industry, and in this article.

Avocado »



Dan Birnie
Head of Avocado

Notes from Northland

For this newsletter, I thought I would do a recap of our recent visit to avocado orchards in the Far North.

At 5 am on Wednesday, the 4th February, James and Steve met at my place, and we headed north. We negotiated the Southern Motorway at rush hour, grabbed a pie and a coffee to recuperate from the experience, and marched on to Kaikohe.

There, a grower showed us around their 15-hectare orchard, including what they pulled out of the paddocks prior to planting. Talk about a 'rocky' start.

We stopped at Kiwi Kai in Ōkaihau for lunch, and the only takeaway options they had were pies... I could feel my gall bladder creating its own stone deposit.

We drove onwards, past Kaitia, visiting Sandstone Orchard. This is a 100-hectare orchard developed by Darling Group. Trees are young and looked in good health.



Continued

Next stop, we went and visited Ross Mutton. Ross is an ex-Te Puke local who has lived in the Far North growing avocados for a number of years. He was very open and honest, and talked about the challenges the district is facing. With no real alternative land use, growers in the region are only just hanging on. Ross mentioned that we should drive down Turk Valley Road for a look, which we did. On that road are a number of orchards in various states of disrepair. At the orchard seen below, the grass is being mowed, but it looks like all other inputs have stopped. One orchard had a real estate sign at the front, so I called the agent and left a message. They never came back to me.



The next day, we met Tom Mok, orchard manager for an 11-hectare orchard near Waiharara. Below shows how the orchard is set up. All on mounds, irrigated, and trees kept low. The orchard is sprayed by a helicopter as some rows are too narrow to drive through, and Tom relies on backpackers for pruning and picking.



Continued

The next orchard we visited was Honeytree, another 100-hectare orchard in the area. Aaron, the orchard manager, showed us some of the challenges they deal with, including peat. A few years ago, the peat caught on fire, so they set up water cannons to protect the orchard.

With a view to keep the costs down, they have also purchased a modified shelter belt pruner from Italy, which follows the pickers around and prunes the trees.



We left around noon on Thursday, to head back home. We stopped in Kerikeri, and bumped into Adam Franklin, an ex-Trevelyan's employee, who now lives there - New Zealand is truly a small world.

We hit the Southern Motorway for the second time in two days, but this time it really was rush hour, as half of Auckland was leaving for Waitangi weekend...

Technical »



Gordon Skipage
Head of Technical

The responsibility of quality

Recently, I had the privilege of meeting David Booth, Zespri's new Head of Global Quality, while showing him around his first kiwifruit orchard. It was heartening to learn he is clearly an intelligent guy with his finger already firmly on the pulse. As we walked and talked, it became increasingly obvious how big a task he is about to undertake.

The orchard we were in was a mix of Green and Gold, with recent cutover blocks and adjacent to avocado blocks not separated by internal shelter belts. That description of the orchard alone, while common, highlights the significant risk and complication from an orchard management, post-harvest, regulatory and fruit quality perspective – all of which ultimately sit under David's remit. As the gatekeeper between the customer and the grower, David is tasked with "saving ourselves from ourselves".

By this, I mean that many of the decisions growers can make focus on short-term outcomes. Choices such as prioritising lower-cost inputs, increasing crop load, or missing key timing windows can all have a cumulative impact on quality performance over time (both this season and in the years ahead). In the same way, consistently working within Zespri standards and quality expectations plays a critical role in protecting the strength of our brand, customer confidence, and ultimately the value we achieve in market. As a post-harvest facility, our role is to consistently uphold and work within the established rules and standards, even when others may choose not to.

I often reflect on whether we're fully considering the longer-term impact of pursuing these perceived short-term gains. For an international brand built on quality, consistency and food safety, many members of the supply chain are making self-interested, short-sighted decisions, with total disregard for how the industry is positioned over the next five to ten years.

I note on page 44 of Zespri's "[Five Year Outlook 2025](#)" document, they state "Having achieved and surpassed our goal to grow global sales revenue to \$4.5 billion by 2025, Zespri has set our new ambition to be the World's Healthiest Fruit Brand by 2035. From a consumer and grower standpoint, this means bringing the best branded kiwifruit portfolio to the world and delivering the best returns back to our growers and shareholders."

While fully supportive of the vision, I ponder the realities of it, as product quality is constantly undermined through corner-cutting and the inaction of those tasked with protecting it. We must all ask ourselves: how could we expect the consumer to pay a premium price for a product that softens quickly, tastes worse than they remember, or is not a Class 1 or 2 fruit despite the box saying so?

Zespri has moved to strengthen their quality systems with increased audits and penalties for packhouses, and what I hope is a "name and shame" of offending facilities.

But again, if we're all in this together, I wonder why we even need such policing of industry. While it may be in David's job description to manage these issues, it's our collective responsibility to ensure the success of the Zespri brand – our brand.

Sustainability »



Sarah Lei
Head of Strategic Projects

What does sustainability progression look like?

Sustainability progression is not linear, and our route constantly evolves as new challenges arise and our understanding grows. As we move into 2026, we are taking stock of where Trevelyan's is on the sustainability maturity ladder and setting a course for where we want to be in the future. We've used [this framework](#) to demonstrate that, visually represented below.



Prior to 2010, Trevelyan's, like many organisations, was at **Sustainability 1.0**, where the focus was primarily on reducing compliance risk and focusing on legal requirements. We had very basic knowledge of our impacts and minimal internal actions.

In 2010, we moved into **Sustainability 2.0** as we began assessing our impacts and focussing on internal actions. We used an internationally recognised framework (GRI) to help identify our key sustainability impacts, which led us on a journey to better waste management practices. These improved practices reduced our waste to landfill through increased composting and recycling. We also began measuring our carbon emissions and continued supporting our local community through sponsorship and other donations.

Continued

After 16 years of sustainability mahi, we are now in **Sustainability 3.0**, where we are integrating and embedding sustainability into our core strategy. Our company values, Work Smart, Tread Lightly and Respect Our People, helped us balance our key financial, environmental and social impacts. We are continually improving our data and reporting and have clearly defined goals that aligned with our key sustainability impacts. Additionally, we work with our banking partner to have financial incentives attached to these goals. We are partnering with our community and suppliers to expand the reach of our sustainability work and help solve our sustainability challenges, together. Our sustainability resource is now part of our 'Strategic Projects' department, and we continue to develop our sustainability capability, with a new Sustainability Advisor, Georgia Mischefski-Gray, and a part-time Sustainability Analyst, Jackie Tsui.



Georgia



Jackie

As we stretch towards **Sustainability 4.0**, we are further refining our systems and seeking opportunities to continue pushing our industry forward. Part of this work is undertaking regenerative trials on orchard and developing our Trevelyan's Climate Transition Plan.

We look forward to working with our growers and helping them move further along their own sustainability journeys as we enter this next stage.

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

Colin Olesen
TGL Chair

A fair vote for a good fruit quality report

The kiwifruit industry appears to finally be seriously addressing the HUGE cost of quality that has been incurred in recent years. That cost has been shared by all growers, but attention is now being given to ways in which it can be accurately sheeted back to the major contributors of these costs. Growers that present quality fruit through their on-orchard efforts will welcome the new measures as they will no longer share the burden of the quality costs bill. This is an area that your Directors have been 'on about' within industry forums for quite some time, so we strongly support all decisions that strengthen the quality chain.

At our recent Directors' meeting, we reviewed the current TGL voting policy. This was last reviewed a few seasons back and slightly modified then. What has caused the current review is a rightful perception that the make-up and type of growers have changed in recent years. Presently, grower voting rights are calculated by reference to the number of tray equivalents supplied to the supply company in any one of the previous three seasons. This 'one of the previous three seasons' measure was to ensure that growers were not unfairly disadvantaged by circumstances outside their control, such as events like hail or flooding. The baseline that your Directors seek is fairness in voting capacity. Some further analysis is to be presented at the April Directors' meeting, where a decision will be made on a revised voting policy format. Growers are asked to contact a TGL Director now to let them know how they see the best voting policy for the near future.

The Trevelyan (TPCL) Packing Agreement has been sent to all Trevelyan growers, with the Trevelyan (TGL) Supply Agreement finalised at the March TGL Directors meeting, hopefully in your hands for signing by the time you read this page. Please attend to the signing of both agreements promptly, as this will assist the Grower Liaison team in their work.

All the best for a good harvest.



TAGL »

Ashby Whitehead
TAGL Chair

Quarterly TAGL update

I'm writing this as I head to the South Island to spend a week being a tourist with my wife, Linda, before she flies home, and our son, Brad, flies down to go hunting with me. It's nice to be able to get away for a short while, see some sights and shoot some deer.

As I've been out picking some late local market fruit, the size of the crop many orchards are holding for next year is looking huge in many areas. With the prospect of a good payout this coming season, it's worth putting a bit more fertiliser on, injecting your trees if they need it, and keeping the sprays up, especially for thrips.

At Trevelyan Avocado Growers Limited (TAGL), we have held regular meetings and have invited both exporters to attend and share their plans and strategies. It sounds likely that a larger percentage of fruit will go to Australia this year, as our exporters balance sending fruit to developing markets, whilst capitalising on promising dollars from Australia.

On the domestic front, BayFarms continues to evolve. Two TAGL grower members sit on the board of BayFarms, along with two Trevelyan Pack and Cool (TPCL) members. Jay Bent (Commercial Manager) and Zara Marra (Domestic Market Manager) spend a lot of time analysing New Zealand flow-plans and the value for the season-long pool, and then present suggested payments to the board. The aim is to return money as quickly as possible, without going into an overpayment situation.

Wilson McGillivray, along with myself, have been the grower representatives at BayFarms and at the last BayFarms meeting, Wilson decided to stand down. Our next action will be to elect a new BayFarms director at the next TAGL meeting. If you are interested in being involved at the TAGL level, please let myself or Daniel know.

General »



Coolstore 45

Construction is well underway on our newest coolstore to support our growing fruit volumes, coolstore 45! We're aiming to have the store up and running later this season, with racking and refrigeration equipment currently being installed.

Coolstore 45 will also be our first ammonia-glycol coolstore, which uses ammonia as a refrigerant. Ammonia is a naturally occurring compound that is non-ozone-depleting and has zero global-warming potential, allowing us to cool our fruit effectively while reducing our potential environmental impact should there ever be a leak.

