

AVOCADO INDUSTRY COUNCIL LIMITED

**EXPORT MARKETING STRATEGY
FOR AVOCADOS
2011 - 2012 SEASON**

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1 INTRODUCTION

The Export Marketing Strategy for Avocados 2011–2012 takes effect from 26 April 2011 and will remain in effect until such date as a future EMS is approved by the HEA.

- 1.1 The New Zealand Horticulture Export Authority Act 1987 (the Act) provided for the creation of the New Zealand Horticulture Export Authority (HEA). Sectors of the horticultural industry can apply to MAF to become a recognised product group under the HEA Act, allowing for the implementation of an Export Marketing Strategy (EMS) for that sector of the industry.
- 1.2 Under Section 26 of the Act an EMS must be formulated for a recognised product to be subject to export licensing. This EMS is the document that sets out the avocado industry's collective marketing objectives and the means by which it has agreed to attain those objectives. An export licence (or exemption) is therefore required to be held by any person/entity exporting fresh avocados.
- 1.3 The recognised product group for Avocados is the Avocado Industry Council Limited (AIC) a limited liability company established in 1992 with one shareholder, the New Zealand Avocado Growers' Association Incorporated 1983 (AGA). The Board of Directors of the AIC under its constitution is structured to provide for ten (8) Directors to be appointed from and by the AGA executive committee and thus represent Grower interests, and two (2) Directors, selected by the Avocado Exporters Council (AVEC) and ratified by the AGA, to represent the interests of Exporters.
- 1.4 During 2009 Growers and Exporters agreed to combine all industry management activities within the AIC (the wholly owned subsidiary company) of the AGA. To ensure that the legislative requirements of the Act are met in relation to management of the EMS and export activity of the industry, a committee of the AIC operating under specific terms of reference has been established (refer cl 4.1.2.1 for details).
- 1.5 The rules of the AGA and the constitution of the AIC define the procedure by which all directors are appointed to the AIC.
- 1.6 This EMS outlines the key strategic directions for the avocado industry and the mechanisms by which these objectives will be met. Compliance by key industry stakeholders, notably Growers, Packers and Exporters, with the provision of this EMS is intended to ensure delivery of a quality product to customers in our export markets, in keeping with the industry's Mission Statement and the creation of wealth for industry participants. Therefore this EMS is a critical document for the avocado industry as it provides the basis for setting and enforcing industry standards and minimum requirements for the export of fresh avocados from New Zealand. The AIC has the responsibility for monitoring and enforcing Grower and Packer compliance with this EMS.
- 1.7 The HEA can only enforce certain provisions of the Act against Exporters, (i.e., predominantly those relating to breaches of licence conditions and prejudice to the EMS). Where a licensed Exporter is alleged to have breached the conditions of its licence or the EMS this may be investigated by the HEA according to the EMS breach procedure in Section 4.2 of the HEA Policy and Procedures Manual and in accordance with Section 39 of the Act.
- 1.8 The AIC is responsible to manage the EMS as it pertains to the legislative requirements of the HEA Act. Management includes but is not limited to:
 - *Detailed input in to the development, presentation and annual review of the EMS;*
 - *Liaison with HEA;*

- *Collection of detailed exporter sales data for collation into industry information;*
- *Maintaining a database of registered Growers, Packers and Exporters involved with exporting avocados;*
- *Collection of information from registrations and other sources for industry planning;*
- *Securing additional external funding for research and industry development;*
- *Development and management of generic market promotions.*

In addition, further Management activities are conducted in partnership with AIC's shareholder, the AGA;

- Liaison with Government, Government Departments, Regional Councils, Crown Research Institutes, Universities, other fruit sectors, and the media as appropriate;
- Discussions and consultation with Growers, Exporters and Packers about industry issues;
- Administration of board meetings and finances.

1.9 The purpose of the AIC in conjunction with the AGA is to provide leadership in facilitating the efforts of all those participating in the industry to maximise the on-going profitability and viability, to give positive investment signals for the avocado industry.

1.10 The AIC recognises the need for an integrated and seamless approach to information management, market development, quality management and research and development.

1.11 Strategic objectives have been developed for the following areas:

- Innovative research and development programmes (including the ownership of intellectual property);
- Efficient, profitable and sustainable production technology;
- Effective marketing to differentiated markets (including market development and access);
- Effective information and communication systems (including market intelligence);
- Strong representative industry structure.

1.12 The NZ avocado industry regularly undertakes a review of developments in both export and domestic markets with appropriate revision of industry objectives and strategy development.

2 GENERAL MARKETING OBJECTIVES FOR EXPORT

2.1 Vision to 2015

The vision statement for the NZ avocado industry is:

“Through leadership achieve 12 million trays with an industry value of \$250 million, by 2015-16”.

2.2 Avocado Industry Strategic Intent for 2011 - 2012

The avocado industry has extensively revised its strategic plan in response to a number of issues impacting on the industry. Several new initiatives have been developed to achieve the goals outlined in this strategy. In relation to the creation of wealth via the export and marketing of avocados the strategy details six specific outcomes.

2.2.1

Increase industry value (FOB & Domestic sales) to \$250 million, by 2015-16.

2.2.2

Future proof the industry by anticipating threats to market access from pests, diseases and residues, by understanding legislative and trading threats and working proactively to mitigate impacts on trade.

2.2.3

Provide a baseline export Quality Assurance and regulatory compliance system.

2.2.4

Provide a Food Safety assurance system that delivers avocados that are safe to eat.

2.2.5

Maximise competitive advantage with economic and environmentally sustainable production systems.

2.2.6

Support industry partners to facilitate the development of new/emerging market opportunities and increase demand for fresh or value added products.

2.3 Market Strategy

The AIC has been tasked with understanding market drivers, supporting the whole of the industry strategic plan, developing strategies related to key market factors, and delivering recommendations to assist achievement of the industries key performance indicators.

2.3.1 Promotion

Increase awareness and create demand for New Zealand Avocados sold in both export and domestic markets.

2.3.1.1 Export Promotions

In 2007 the AIC developed a generic promotions campaign of 3 to 5 years duration to enhance product awareness, consumption and value in the Australian market. Grower contributions fund the delivery of a generic promotion campaign to improve market performance and Grower returns. During the 2009-10 export season, a campaign utilising collateral developed by AAL was implemented. Continuation of this initiative with Grower mandate in the 2011-12 season is anticipated. The Hass Avocado Board collects a levy on imported avocados for generic promotion in the USA.

2.3.2 Market Access and Development

The strategy of the AIC is to facilitate trade in both new and emerging markets. The AIC in conjunction with AVEC is collaborating with MAF and importing countries to formalise the requirements of the importing countries.

Non-tariff trade barriers and trade related issues are managed directly by Exporters or through PMAC (Plants Market Access Council).

2.3.3 Industry Structure

In partnership with the AGA and through inclusion of other stakeholders promote unity and maximise marketing efficiency within the industry commercial model.

2.3.4 Information Systems

Collect and share reliable production and marketing information to promote orderly marketing in export markets. The AIC shares data with the Avocado Marketing and Promotions Working Group (AMAPWG) in relation to the EU market, with the Hass Avocado Board (HAB) in relation to the USA market, and with Infocado (administered by Avocados Australia Limited – AAL) in relation to the Australian market.

2.3.5 Fruit Quality

Deliver premium fruit quality consistent with specific market requirements.

2.3.6 Market Access Support

Promote Grower awareness of the requirement for multiple market access designation of export fruit. Undertake technical support for AVEC members on an individually agreed commercial basis (see Clause 8.7). Maintain access to existing markets by providing technical support and relationships with regulatory authorities.

2.3.7 Storage and Logistics

Identify research and communicate technology advances in storage technologies and logistics which offer improvements in fruit quality and costs, which benefit returns or improve access to new and existing export markets.

Table 1: Export Markets – Tonnes and \$NZ FOB

Market	2008		2009		2010	
	Volume	Value	Volume	Value	Volume	Value
Australia	12,358	47,083,750	8,146	34,735,896	12,598	52,809,105
Japan	1,484	3,097,685	601	2,735,632	1,379	4,679,254
Singapore	92	300,227	104	365,541	317	942,249
United States of America	3,167	7,634,092	2	4,793	291	647,781
Korea	190	615,796	81	307,231	111	487,359
Hong Kong	75	182,360	4	13,448	81	251,729
Taiwan	16	89,381	11	67,851	7	36,183
New Caledonia	ns	ns	0	0	5	23,155
Malaysia	30	100,029	34	122,623	6	20,827
French Polynesia	ns	ns	1	4,968	2	6,614
Fiji	5	7,031	0	1,343	1	3,075
Thailand	35	103,338	11	44,485	1	2,350
European Union	29	82,950	0	0	0	134
Pacific Islands	1	5,607	0	182	0	23
Indonesia	1	2,185	0	0	0	0
Total	17,483	\$59,304,431	8,994	\$38,403,993	14,798	\$59,909,838

Source: Statistics New Zealand (Volume - tonnes : Value - FOB)

2.4 Export Markets

Australia, the United States of America and Japan are the primary export markets for New Zealand avocados. Other smaller markets include the EU, Singapore, Hong Kong, Korea, Taiwan, Thailand, Malaysia, Indonesia, Fiji and the other Pacific Islands (Table 1).

The AIC has an active role in opening access to or mitigating access barriers in export markets. Currently, the AIC has access requests for China and India being actioned via government agencies. Additionally, through PMAC it has initiated a project to investigate and develop relationships within various SE Asian markets and to attempt to mitigate MRL barriers to avocado access.

New Zealand's export season typically begins in late August and continues through to late March the following year.

In future, the industry intends to focus efforts on increasing the export packout percentage to 65% of total production through implementing technology transfer of knowledge emanating from the research and development programs such as improved germplasm, spray technologies and orchard management practices to improve production performance.

The focus of the AIC export programme has been on the co-ordinated management of quality product to export markets. The industry's focus is on exporting avocado for consumption as fresh fruit. Crop estimation, Packer and Exporter reporting, food safety and a quality management programme have and will continue to be the mainstays of the export programme (refer to Section 3 for the Means to Achieve Industry Objectives).

The New Zealand avocado industry is a rapidly growing sector in the horticultural industry.

Avocados have become a substantial export-earning horticultural crop in New Zealand, which is reflected by the market penetration and values.

2.4.1 Barriers to Trade in Avocados

As long as fruit quality and timing of produce availability can be sustained throughout the season Australia should continue to be a strong market for avocado exports. The market conditions have become complex due to Australian producers adopting a position of strong market protection to ensure market share for increasing internal production. The New Zealand industry is focused on maintaining access and is vigilant in attaining high phytosanitary regulation to avoid biosecurity constraints and ensure continued market access.

The USA market will continue to offer opportunity, for the anticipated increase in New Zealand production. Several Exporters have combined to form an export grouping (AVANZA) for the purpose of co-operatively marketing New Zealand avocados to the USA and Japan.

Exporter commitment to the Japanese market was maintained through the 2010/2011 season. Japan remains a significant market and holds future potential for New Zealand Exporters despite the pressure of competition from other global producers.

High volumes from Chile and Mexico make international trading conditions very competitive in the Japanese, European Union and USA markets.

2.4.2 Cost of Tariffs

New Zealand's main export market, Australia, has no tariffs on New Zealand avocados at present but is seeking to impose a AU 24.75 cents/tray promotional levy on imported avocados.

Although the direct cost of tariffs is minor compared to total exports, high tariffs in certain markets may be stifling export growth in those markets (Table 2):

- New Zealand avocados face a US 11.2 cents/kg tariff into the US market.
- New Zealand's competitors into the US pay tariffs that are much lower, or zero:
 - Mexico pays 0% tariff under NAFTA;
 - Chile has a tariff rate quota at 0% with quota free access until 2017 under a free trade agreement;
 - The Dominican Republic has tariff free access under the CAFTA;
 - Australia (which does not have phytosanitary access for avocados), has secured a 4,000 tonne tariff free quota under their FTA;

- Tariff in South Korea is 30%, and is seen as a barrier to growth.

Table 2: Cost of avocado tariffs (based on 2010 FOB value)

Country	Tariff	Tariff %	Estimated cost of tariff 2010
Thailand	0%	2,350	\$0
European Union	4%	134	\$5
Japan	3%	4,679,254	\$140,378
Malaysia	0%	20,827	\$0
Republic of Korea	30%	487,359	\$146,208
Taiwan	15%	36,183	\$5,427
United States of America	11.2c US/kg	647,781	\$46,586
Total	5.8%	\$5,873,888	\$338,604

Source: Barriers to Trade report, December 2010, HortNZ & HEA

Competition from tariff-free exporting countries is of real concern for the future development of the New Zealand industry.

The industry incurred tariff costs of \$0.3 million in 2010 which equates to approximately \$200 per Grower on average.

The recent developments of FTA's with China and the impending negotiations with the USA (through the expansion of the P4 agreement) and Korea offer significant opportunity for avocado exports to these destinations.

2.4.3 Phytosanitary & Food Safety Access

The AIC is an active member of the Plants Market Access Council, which aims to provide coordinated and cohesive leadership to secure, continually improve and reduce the cost of access for New Zealand horticultural and arable products into export markets.

MAF (Formerly NZFSA) is responsible for Food Safety issues pertaining to the export of avocados and the AIC is working closely in conjunction with this group via PMAC to resolve access issues in South East Asia in relation to residues.

The AIC in association with MAF Biosecurity continues working to resolve a range of market access phytosanitary issues. The AIC anticipate that, in future, biosecurity issues will continue to be utilised as non-tariff market access barriers in global markets.

3 THE MEANS BY WHICH IT IS PROPOSED TO ACHIEVE OBJECTIVES

3.1 Distribution of Product – Flow Plan

3.1.1

While Exporters compete, co-operation between them in managing the volume of fruit entering any particular market by flow planning not only improves the financial realisation but assists in ensuring the adequate supply of those markets. However, the AIC and all participants in the industry are required to respect commercial confidentiality in the implementation of any flow plan.

3.1.2

The avocado industry is faced with increasingly larger export volumes during a relatively short time period. To assist with the flow of product into the market the AIC and AVEC have developed a mechanism to forecast, monitor and influence the product flow of New Zealand avocados export markets. Particular emphasis will be placed on crop flow to improve the matching of demand and supply over the selling season. The AIC contributes volume and flow data both internally to Registered Exporters and externally to the Hass Avocado Board (USA), Avocado Marketing and Production Working Group (EU market) and Infocado (Australia).

3.1.3

AVEC is seen as the key in achieving greater co-ordination, not only amongst Exporters but also amongst Packers and Growers. Feedback to Growers and Packers of market performance and information will work towards the integrated marketing approach that is desired.

3.2 Transport

While there are some shipments by air, the bulk of exported avocados are transported by sea. Considerable research has been undertaken with a view to preserving fruit quality both in transit and after delivery. The AIC has made available the research findings and encourages uptake and ongoing efficiency in transport wherever possible. Current research is focused on providing new technology to extend storage timeframes which would have a positive affect on market performance by offering the ability to use JIT supply principles or to extend transport distances to remote markets with improved outturn reliability.

3.3 Form of the Product

This EMS is concerned with the export of all varieties of *Persea americana* (avocados) but only as a fresh fruit product. Varieties (see definition) other than 'Hass' require dispensation from the AIC prior to export. Specific requirements that must be met for maturity, grade and quality are contained in the Quality Manual.

There is an export market in avocado oil and proposals to develop high pressure processing capabilities to deliver avocado pastes and fruit halves, chunks and slices. The AIC takes an active interest in that segment of the industry but they are not included in the EMS as they do not fall within the jurisdiction of the Act.

3.4 Production

The main growing districts are the Western Bay of Plenty, Mid North, Far North, Auckland, Gisborne, Opotiki and Taranaki.

Mature orchard areas (5 years or greater) of registered export Growers are estimated at more than 4,697 hectares (2010-2011 season). Long term yields per hectare average 5-7 tonnes per mature hectare but vary widely from less than 2 tonnes to more than 35 tonnes per ha. The technical level of skill within the industry is improving. Overall production will increase as new plantings come into production and improved orchard management systems and new genetic material imported by the AIC is planted. It is anticipated this will deliver higher yields. There are more than 600 ha of young trees, planted over the past five years, which are not yet producing commercial yields.

There are 1572 avocado Growers registered as members of the New Zealand Avocado Growers' Association, but the total number of NZ Growers is likely to be greater as some Growers are known not to be registered and Growers with new plantings not yet producing crops may not necessarily be registered with the association. 1700 producing orchards are registered with the AIC.

It is anticipated that approximately 1050 Growers will register for export in the 2011-2012 season, in proportion to production which is projected to be in the vicinity of 5.4-5.8 million trays, with an export component of 3.5-3.7 million trays.

Provisional production statistics for 2010 - 2011 season are 16,435 tonnes (to 8th April 2011) (Table 3). The industry exported 1.75 million export trays, with a provisional split of Australia (89%), Japan (8%) and other (3%) (at 8th April 2011).

Table 3: New Zealand avocado production 2000 - 2011 (5.5 kg trays and total tonnes)

Year	Export Trays	Local Market Trays	Processing Trays	Total Trays	Total tonnes
00/01	1,400,000	712,000	180,000	2,292,000	12,606
01/02	1,321,000	678,000	155,000	2,154,000	11,847
02/03	1,259,000	1,075,000	75,000	2,409,000	13,250
03/04	1,055,000	825,000	55,000	1,935,000	10,642
04/05	1,122,175	895,961	118,498	2,136,634	11,751
05/06	2,406,022	1,294,168	476,225	4,176,415	22,970
06/07	945,885	989,3335	71,137	2,006,357	10,750
07/08	2,644,862	1,480,529	741,089	4,866,480	26,766
08/09	1,399,270	1,158,117	144,273	2,701,660	14,859
09/10 [‡]	2,280,276	1,334,190	337,837	3,952,303	21,738
10/11 [‡]	1,752,609	960,921	274,673	2,988,203	16,435

Source: Historic Data - Avocado Industry Council Annual Report 2009, 2010 Data Monitoring Records (08/04/11)

‡ Estimate as at 18 March 2011.

The focus for Exporters and Growers alike will be maintaining quality supply to key markets in Australia, USA and Japan to secure the long term position and underpin the industry strategies for these key markets, and continue the development activity in emerging markets.

3.5 Promotion

3.5.1

The importation of avocado fruit into the United States is currently subject to a levy under federal USA legislation. This levy is used by the Hass Avocado Board (HAB) for the advertising and promotion of all avocado fruit in the USA. The HAB levy has an option for contributors to elect to utilise funds to run independently controlled generic promotion campaigns. The AIC opts to utilise New Zealand's levy contribution within the HAB generic promotion campaign, rather than operate an independent campaign. The New Zealand industry has contributed \$320,000 USD or approximately \$530,000 NZ dollars to this fund in the last 6 years.

3.5.2

A key AIC strategic goal is to increase consumption by investing in generic promotions in export markets, to improve both market performance and Grower returns. A generic campaign in the Australian market during the 2010-2011 export season was supported by Grower contribution of 15 cents per tray. The resulting campaign was developed and delivered via an Australian agency, using both print and television media and targeted correspondence with key market influencers.

The AIC is committed to an ongoing program and leveraging industry promotion concepts with individual Exporter's campaigns. Agreement was reached with AAL, during 2009, to utilise their 'add an avo' collateral, and to extend AAL's generic promotions campaign when New Zealand fruit is in the Australian marketplace. The term of the current licensing agreement is 3 years (Commenced 1 July 2009) and may be extended in 3 year increments.

In the last 4 years the AIC has invested approximately \$1.03m in generic promotions in Australia and the Australian industry approximately AUD 6 million over this period.

3.5.3

The AGA has negotiated a renewed Memorandum of Understanding with AAL which includes information exchange, cohesive market development and generic promotional activities in accordance with the intent of ANZCERT.

3.6 Market Access & Development

3.6.1 Development

Exporters are actively encouraged by the AIC to diversify markets. The Australian market continues to be a desirable market in terms of proximity and returns. Other key markets are identified as the USA and Japan; these markets are viewed as more mature with developed relationships, however, FX fluctuations drive ultimate returns to Growers.

The Japanese market, although more mature than many other Asian markets, still has low consumption in comparison to western markets, but has the opportunity to consume increasing volumes due to a large and relatively affluent population. Volumes supplied to the Japanese market have remained relatively constant or increased despite production variability demonstrating Exporter commitment to growth in this market.

The reality of the constraints that timelines and distance place on marketing to the EU with predictable and reliable outturn using present technologies signals that a focus on the market potential of closer Pacific Rim markets in Korea, and South East Asia is urgently required.

Currently these markets account for approximately 3% of the export volume, which although small must be viewed against the access constraints imposed in these markets.

These factors have led to the increasing recognition by Growers that projected growth in production will require improved access to and further development by Exporters of alternative markets with the ability to absorb significant volumes at value, in the near future.

3.6.2 Market Access

The AIC has had several challenges over the last four years in relation to market access, which have been of a phytosanitary nature. For exports to Australia the issues have been Avocado Scab (*Sphaceloma perseae*) and Avocado Sun Blotch Viroid (ASBVd), and in the USA Light Brown Apple Moth (LBAM). The industry has been able to demonstrate either the absence of these pests and diseases or to provide mitigation treatments to ensure that access is maintained to these markets. The AIC has invested approximately \$935,250 in resolving these issues. Additionally, the costs to the wider industry have been substantial, for example, packers have invested in high pressure water blasters for removal of LBAM, as a export requirement implemented in agreement with the USDA, for fruit destined for the USA.

Recently, the AIC has initiated the process for access to both China and India through MAF Biosecurity New Zealand and is engaged in establishing the phytosanitary parameters to enable trade. The expectation is that this process may take 3 to 5 years and requires that in the near term the investigation of markets where New Zealand already has access should be the focus. While access exists to many of the emerging South East Asian markets, resolving market access restrictions in association with AVEC members is perceived as a priority by avocado Growers and Exporters alike. Exporters are contributing 1c per tray to assist funding this initiative.

The AIC is undertaking an approach to determine the options available to the avocado industry at large and to provide detailed information to government regulators and Exporters in order to facilitate an expansion of market penetration in emerging markets. The key focus of the activity will be made to scope and understand phytosanitary requirements, residue (MRL) requirements and any other access barriers in identified Asian markets with a view to providing information to enable regulators to modify requirements. AVEC has been engaged in setting priorities in relation to the market access issues. The AIC anticipates that the investment in this activity will be in excess of \$100,000 for the MRL project alone.

3.6.3 AvoGreen®

In order to position the industry and to create a competitive advantage for Exporters and thereby maintain market position against increasing global competition the AIC has resolved to adopt AvoGreen®, an integrated pest monitoring system, as an export requirement for the 2011-12 season
[http://www.nzavocado.co.nz/index.php/p:_pageid/208].

3.7 Selling

Registered licenced Exporters are responsible for the sale of avocados in export markets under free market rules, and for the return of funds to Growers under contractual arrangements with individual Growers or via Packers.

3.8 Export Pricing and Export Market Information

3.8.1

Providing information and education in addition to encouraging interaction throughout the value chain will assist industry growth and development. The aim is to facilitate informed decision-making and increase the uptake of new ideas by providing information in a form that is practical and facilitates easy adoption.

3.8.2

The system of registration provides a communication network for the industry. All registrants are circulated information on a fortnightly basis, during the export season. The purpose is to provide an update on the market position in Australia, the USA and other overseas markets. Additional information provided is an estimated guide of wholesale returns from various markets, statistical information on the volume flow into the major export markets and any quality management issues that may arise during the season.

3.8.3

There is a deliberate drive toward increased use of electronic communication via the use of (e-Bulletins) AvoConnect and AvoTechno and the industry web site www.nzavocado.co.nz for registrations. The Electronic Spray Diary system and the weekly reporting of packing and export data, which are mandatory requirements, utilise web based applications. The electronic system for Grower, Packer and Exporter registration will be continued for the 2011-12 export season, and can be accessed via the industry web site. Packers

nominated by Growers at registration are automatically notified when the Grower completes registration.

3.9 Market Strategy

The AIC's policy is that only fruit meeting Class I Grade and Quality standards is exported (also refer to clause 6.3 'Class of Fruit to be exported'). This requirement is made to ensure that the significant investments being made by Growers, through the AIC are not jeopardised by having in-market competition between exported products with differing grade, which may impact market returns for Class I product.

Additionally, the AIC supports Exporters and Growers through both investment and implementation of strategic initiatives (AvoGreen®, generic promotions, market access) to maintain competitive advantage in global markets which are receiving increased competitor pressure as global production increases.

The AIC was requested to provide market by market commentary on the strategic marketing objectives for the industry to assist Exporters and Growers understand the direction of market development and importance to the industry, which are detailed in the following sub-clauses.

3.9.1 Australia

Australia is recognised as a "crown jewel" market and the AIC intends to uphold its requirement for only Class I fruit export to this market. This position is taken because of the strategic significance that the Australian market holds for our product in terms of growth potential, return and proximity, and the level of investment that has been made in the development of the market by the provision of technology to ensure the delivery of high quality product to customers and consumers. Additionally, it is important to recognise that relationships with key retailers within this market enable significant advantage to dominate the Australian market during the peak of the New Zealand export window, thereby enhancing the opportunity for wealth creation for New Zealand growers.

3.9.2 USA

The USA market is mature and well developed relationships with key importers exist. This market is dominated by production emanating from California, Mexico, Chile and Peru.

The New Zealand position within the USA market is viewed as strategically important to ensure that a place in the USA market is preserved for when the anticipated future increase in production from New Zealand is achieved. AIC intends to uphold its requirement for only Class I fruit export to this market. Continued maintenance of relationships within this market through ongoing supply, is encouraged by the AIC. The AIC recognises the constraints imposed by FX fluctuations and the impact that the HAB imposed promotion levy has on grower returns.

Maintaining the market awareness of the quality of New Zealand fruit supplied to this market is an important consideration for the AIC, and it is a requirement that only Class I fruit is supplied.

3.9.3 Japan

The increasing commitment to and development of the Japanese market by exporters is encouraged by the AIC, again for the future potential position that this market is anticipated to play as production increases within New Zealand, and is key to the wealth creation strategy held by the industry. AIC intends to uphold its requirement for only Class I fruit export to this market. The AIC is considering the possibility of extending support to exporters operating in this market through the allocation of resources to encourage the extension of its generic promotions activity, in the near future.

3.9.4 South Korea

Although phytosanitary access is available to the Korean market, phytosanitary requirements are difficult to meet for this market. AIC intends to uphold its requirement for only Class I fruit export to this market. Additionally, there is a significant tariff of 30% applied, with the current Government negotiations to establish a FTA with Korea it is anticipated that a reduction in tariff will be made.

3.9.5 SE Asia

The increasing requirement to develop market presence for New Zealand avocados into these markets as production increases will require a significant effort by Exporters. Although phytosanitary access for New Zealand avocados to these markets is established, the vagaries of the application and changes in phytosanitary application and interpretation complicate trade. AIC intends to uphold its requirement for Class I fruit export to this market.

Of particular issue is the absence of established MRL's for avocados. Through the Plants Market Access Council, the AIC has been able to initiate a project with MAF (Formerly NZFSA) to enable a government to government authority (NPPO) approach to resolve this issue. Additionally, AIC has engaged MAF (Formerly NZFSA) via this project to attend the CODEX meetings in China to work on the acceptance and utilisation of CODEX for countries without established avocado MRL's. These projects are being funded jointly by exporters and growers.

3.9.6 European Union & United Kingdom

The EU and UK markets are supplied by competitors, primarily South Africa, Mexico, Chile, Peru, Israel and Spain. The industry collaborates with all these suppliers through the AMAPWG. Although exporters are challenged by the time required to ship to this market, research investment (\$250,000 during the last 3 years) in dynamic controlled atmosphere technologies are anticipated to improve the reliability of product at arrival. Notwithstanding the challenges this market presents, exporters' ship limited volumes to this lucrative market. Because of the strong competition from other suppliers, the AIC intends to uphold its requirement for only Class I fruit export to this market.

3.9.7 Pacific Islands

The export of produce to Pacific Islands requires compliance with the EMS. With the declaration of Country of Freedom from ASBVd, we have regained access to New Caledonia.

3.9.8 China & India

The AIC has initiated with MAF BNZ request for access to these two emerging countries. Activity with China is partially funded under the China - New Zealand FTA implementation program. New Zealand (MAF BNZ & AIC) have prepared a pest list which has been submitted to China and it is anticipated that the formal PRA process will commence later in this calendar year. Obviously the work done in the preparation of our pest list can also be utilised for India.

4 RESPONSIBILITIES AND OBLIGATIONS

Responsibilities under the EMS may be statutory, contractual, or arise under this EMS. For example, an Exporter has a **statutory** responsibility to "carry out export operations in such a way as not to prejudice the current EMS ... and will ensure compliance through the terms of **contracts** with Growers and Packers as well as complying with EMS and Quality Manual requirements."

4.1 Statutory responsibilities

4.1.1

The functions and powers of the HEA are defined in the Act, particularly sections 6 and 7, and do not require restatement here. It is required to promote the effective export marketing of horticultural products and expects to achieve that through the approval, supervision and implementation of an export marketing strategy developed by the recognised product group.

4.1.2

The AIC Ltd is the recognised product group under the Act. It is therefore charged with formulating and reviewing the EMS, consulting as to its content, reporting to the HEA on an Exporter's suitability for a licence and reporting to the HEA on implementation and review of the EMS.

4.1.2.1

During 2009 Growers and Exporters agreed to combine all industry management activities within the AIC (the wholly owned subsidiary company) of the AGA. To ensure that the legislative requirements of the Act are met in relation to management of the EMS and export activity of the industry, a committee of the AIC operating under specific terms of reference has been established.

The Recognised Product Group Committee (RPG), with four (4) directors appointed by the AGA representing Growers and two (2) directors, selected by the Avocado Exporters Council (AVEC) and ratified by the AGA, to represent the interests of Exporters, has delegated authority for development, implementation and operational management of the EMS on behalf of the AIC.

4.1.3

Exporters must hold an export licence (or an HEA approved licence exemption) and observe the conditions attached to it. Failure to do so can result in the HEA amending, suspending or revoking the licence.

4.1.4

The Quality Manual shall be deemed to be incorporated in this EMS, however only those parts of the text of the Quality Manual so demarcated are compulsory requirements, although the AIC expects participants to endeavour to observe the best practice elements as well. Where there is a conflict between the EMS and the Quality Manual, the requirements of this EMS will take precedence over the Quality Manual. The whole of the EMS requires approval by the HEA prior to implementation, and after consultation with the industry participants. In-season changes to the Quality Manual, approved by the AIC Board, will be notified to the HEA within 5 working days.

4.2 Other Responsibilities

4.2.1 AIC

To discharge its obligations under the EMS the AIC will contract with:

- Growers
- Packers
- Exporters

Those contracts will be in the form available electronically at www.nzavocado.co.nz which forms part of the EMS.

4.2.1.1

The AIC keeps an annual register of Exporters, Growers and Packers. This information is available for Exporters to check and ensure their Grower and Packer suppliers are registered with the AIC for the current export season.

4.2.1.2

The AIC uses a web based registration system for Exporters, Packers and Growers. The registration system for the 2011-12 export season will be available from 1 May 2011.

4.2.2 EXPORTERS

Exporters must recognise that their statutory and contractual responsibilities cannot be denied or circumvented by blaming another entity in the supply chain. Contractually they are entitled to seek indemnity from a defaulting party but the HEA sanctions are imposed on an Exporter under the Act.

4.2.2.1

Exporters are required to obtain/hold a licence or a licence exemption issued by the HEA.

4.2.2.1.1

Under no circumstances is an export licence issued by the HEA to be used for the export of other product not covered by the licence.

4.2.2.1.2

Under S34 of the Act it is illegal for licensed Exporters to allow another company/entity/person to use their licence.

4.2.2.1.3

Where an exemption licence is granted by the HEA that Exporter will be required to register with the AIC and remit a fee defined in Clause 8.1.

4.2.2.1.4

The registration of the Exporter under exemption will require that Exporter to comply with all the requirements of the EMS, including specifically the Quality Manual, reporting and AVEC attendance requirements.

4.2.2.1.5

Exemptions will be limited to 3500kg net per season and must meet the requirements of new market development on the recommendation of the AIC Board which at its sole discretion may approve a larger volume.

4.2.2.2

Exporters shall pay such amount to the HEA as is stipulated for registration with the HEA pursuant to this EMS.

4.2.2.3

Exporter licence applicants are to provide a variety of documented evidence to the HEA Board in the licence application. This includes, but is not exclusive to, a list of suppliers, product knowledge, overseas markets, responsible employees, planned promotions and demonstrated understanding of the EMS.

4.2.2.4

All exporter licence applicants and renewal applicants are required to make a presentation to the AIC as part of the licensing process. This will influence the AIC's recommendation to the HEA. All licence applicants must demonstrate adequate experience in international marketing. In addition, the AIC will be looking for evidence of prior or current experience in fruit exporting (and in particular any evidence of experience or knowledge of avocados) and the commitment to work within the AVEC commercial model. The AIC has developed guides for renewal and prospective exporter licence applications outlining the AIC expectations. These are available on request from the AIC offices.

4.2.2.5

All new exporter licence applications must be forwarded to the HEA by 31 March in any year. The AIC undertakes to hear any presentations and make recommendations to the HEA no later than 30 May, on applications received prior to 31 March. Applications received after 31 March will not be considered until the completion of the forthcoming export season, this requirement is to ensure that all licensed Exporters have the opportunity to participate fully within the AVEC commercial model.

4.2.2.6

Exporters are required to register annually for the current export season with the AIC, to be effected online at www.nzavocado.co.nz. Registration for the current export season shall be effected by 31 July in each year or such later date as the AIC may allow. Registration for the current season must in any event be completed prior to the date of export of any fruit. Registration is the only basis upon which the AIC can obtain accurate information as to the parties involved in the industry, and their participation in it.

4.2.2.7

The AIC shall not be bound to register any Exporter who owes money to the AIC or HEA whether that liability arises under this EMS or otherwise.

4.2.2.8

All Exporters licensed by the HEA and registered with the AIC for the purposes of the EMS are required to be members of AVEC.

4.2.2.9

Registered Exporters who wish to use the Australian AQIS pre-clearance programme must register annually with the Approved IVA and pay the required deposit by the required date as stipulated by the Approved IVA. Payment for the programme will be determined by the Approved IVA at the end of the season and invoiced accordingly to Exporters using the programme. Exporters are also to specify the accredited Packers they will be sourcing avocados from. **No late registrations will be accepted.**

4.2.2.10

Each Exporter shall prior to 1 July in each year supply a crop flow plan to the AIC in the form attached as an Appendix 12.6 hereto. Thereafter, such flow plan shall be updated monthly until the end of February and lodged with the AIC within three (3) days of the first day of each month.

4.2.2.11

Within the constraints of contractual obligations Exporters shall co-operate with the AIC in managing fruit volumes into any particular market, or market segment, by providing the AIC with flow planning information at the requested times. Information from the individual exporter flow planning shall be consolidated and provided back to all Exporters and AIC directors for their information and use. Individual Exporter confidentiality will be respected at all times.

4.2.2.12

All licensed Exporters are required to attend at least 80% of the meetings called by AVEC in each year. Where an Exporter cannot attend then an appointed representative may attend on its behalf. Notification of this must be made to the AVEC Chairman, or meeting convenor. The decisions agreed to, at the AVEC meetings, shall become binding on both the Exporter and its representative. Such directions must be in compliance with the EMS.

4.2.2.13

In order to discharge their obligations under the EMS Exporters must conclude legal relations with Growers and Packers.

4.2.2.13.1

The Grower contracts will need to provide for:

- The definition of the point of purchase of avocados;
- the volume of product to be delivered by the Grower;
- definition of the point where responsibility for the fruit and its quality and food safety passes from Grower to Exporter or Packer;
- arrangements for payment to the Grower;
- an explanation of all deductions and the calculation of the price if the arrangement is other than direct and outright purchase;
- an instruction to deduct management fees payable under the EMS prior to any payment from Exporter to Grower;
- confirmation by both parties of registration pursuant to the EMS and completion of the appropriate contracts with the AIC in accordance with that;
- an undertaking by all parties to comply with the EMS;
- a declaration of the presence and nature of any insurance cover if any, or that there is no insurance, on the crop post picking;
- it is recommended that Exporters contractually ensure that the growers consent is given for access to library tray data pertaining to their PPIN, where the Exporter requires this information as part of their supply agreement with a customer ;
- arrangements to ensure that any available unabridged AIC outturn monitoring reports are provided to Growers within the required reporting times;
- the loss of return for fruit used in the outturn monitoring programme is to be borne by Exporters;
- A statement to the effect that where the contract is in conflict with the EMS then the terms and conditions of the EMS will prevail.

4.2.2.13.2

The Packer contracts will need to provide for:

- The volume of product to be delivered by the Packer;
- definition of the point where responsibility for the fruit and its quality and food safety passes from Grower to Packer or Exporter;
- where appropriate, arrangements for payment to the Packer and the calculation of the payment;
- confirmation by both parties of registration pursuant to the EMS and completion of the appropriate contracts with the AIC in accordance with that;
- an undertaking by both parties to comply with the EMS;
- a statement to the effect that where the contract is in conflict with the EMS then the terms and conditions of the EMS will prevail;
- It is recommended that Exporters and Packers contractually ensure that the growers consent is given for access to library tray data pertaining to their PPIN, where the Exporter requires this information as part of their supply agreement with a customer.;

It is recommended that Exporter and Packer agreements include a clause that provides for compensation to be paid by the offending party where actions or instructions of either party results in a breach of the EMS, which through the imposition of a major non-compliance (as defined in the Quality Manual) results in an increase of compliance auditing costs or imposes costs or losses to Grower(s).

4.2.2.14

To ensure compliance with the EMS the Exporter shall obtain the approval of the AIC by providing a representative copy of the form of each of the Grower and Packer contract(s), to ensure that they meet the requirements of this EMS, prior to the signing of such contracts by Growers and Packers, or at the latest by 30 June. Where the AIC is requested to approve contracts after June 30, the AIC reserves the right to charge for such approvals (see Clause 8.7).

The AIC recognises that such information is commercially sensitive and could be used to the competitive advantage of the recipient. The AIC therefore undertakes to respect commercial confidentiality in the use of the information.

4.2.2.15

Exporters must ensure that Growers and Packers supplying the Exporter have complied with this EMS and Quality Manual.

4.2.2.16

Exporters are encouraged to support each other in the market and not to undercut the price of another Exporter.

4.2.2.17

All registered Exporters shall furnish accurate details of volumes exported (in 5.5 kg tray equivalents) by destination, and by market segment on a weekly basis to the AIC or its appointed representative. All registered Exporters shall also furnish accurate details of sale values in the local currency sold (in 5.5 kg tray equivalents), by market segment, on a weekly basis to the AIC or its appointed representative on the reporting form. The AIC shall limit the collection of such information to wholesale market values in three (3) international markets and for only two count size bands. For the purposes of this EMS the definition of a sale value is the first point of sale value, before any deductions, for each count size in local currency. The sale value may be reported as a range (i.e. US\$28-34). All registered Exporters shall furnish accurate details of forward sailings by export volumes and destinations, on a weekly basis, to the AIC or its appointed representative, on the weekly report forms. The information is required for the EMS as a whole and may be disseminated to the industry as average values without identifying any individual Exporter's reports.

4.2.2.18

Exporters shall report electronically to the AIC [www.nzavocado.co.nz] accurate details of the actual volumes exported and sold for the week ending 5pm each Friday with such information communicated by no later than 12 noon on the immediately following Monday. If no sales are made a 'Nil' return shall be lodged.

4.2.2.19

At the end of each season and within 30 days of completion of export, but in any event no later than 15 April in each year, Exporters must provide the AIC with a final reconciliation of volumes of fruit supplied and packed in the form provided by the AIC.

4.2.2.20

Exporters will co-operate with the outturn monitoring programme conducted by the AIC by making fruit available (at the cost of the Exporter) in the country of export destination. Up to a maximum of 4 boxes (8 trays) can be requested by the outturn monitor for any shipment arrival. Additional outturn monitoring activities are by agreement between the AIC and the Exporter.

4.2.2.21

Each Exporter shall notify the AIC of any grade standard failure or shipping outturn failure where an insurance pro-forma claim is completed. Such notification is to occur within five (5) working days of completing the pro-forma claim.

4.2.2.22

Each Exporter shall notify the AIC of any outturn or storage failure resulting in distressed fruit which requires discounting or other measures to achieve sales and could potentially destabilise the market. Such notification is to be received within three (3) working days of the Exporter becoming aware of the incident. The information, which shall include volume, market and problem, is to have commercial identifiers removed and will be relayed to all AVEC members as soon as practical after consultation with the AVEC chairperson.

4.2.2.23

In all respects the Exporter shall comply with this EMS and the Quality Management Programme set out in the Quality Manual available online at www.nzavocado.co.nz, which forms an integral part of this EMS.

4.2.2.24

All registered Exporters shall comply with the industry Food Safety programme.

4.2.2.25

All registered Exporters shall comply with the importing country phytosanitary and MRL requirements.

4.2.2.26

Exporters must comply with the industry fruit age requirements as specified in the Quality Manual, which will be dynamically managed by the AIC within logistics timeframes.

4.2.2.27

Exporters shall supply outturn monitoring reports to individual Growers, as required by the Quality Manual.

4.2.2.28

Where in the opinion of the AIC the responsible employees of an Exporter change substantially the AIC requires a report detailing the new responsible employees' knowledge and understanding of the EMS and Quality Manual.

4.2.2.29

All Exporters are required to attend a pre-season workshop on export obligations and technical requirements, convened by the AIC in conjunction with AVEC.

4.2.3 PACKERS

4.2.3.1

Packers intending to be involved in the fresh avocado export business are required to register annually for the current export season with the AIC, to be effected via electronic registration available at www.nzavocado.co.nz. Registration is the only basis upon which the AIC can obtain accurate information as to the parties involved in the industry, and their participation in it.

4.2.3.2

A separate registration is required for each independent physical location.

4.2.3.3

Registration for the current export season shall be affected by 31 July in each year or such later date as the AIC may allow. Registration for the current season must in any event be affected prior to the date of packing any fruit for export.

4.2.3.4

The AIC shall not be bound to register any Packer who owes money to the AIC or HEA whether that liability arises under this EMS or otherwise.

4.2.3.5

Packers in arranging picking and packing programmes will co-operate with the Exporter responsible for that fruit in synchronising their programmes with the crop flow plan formulated by the Exporter.

4.2.3.6

In order to discharge their obligations under the EMS Packers must conclude contracts with Growers and Exporters (see Clause 4.2.2.13.2).

It is recommended that Exporter and Packer agreements include a clause that provides for compensation to be paid by the offending party where actions or instructions of either party results in a breach of the EMS, which through the imposition of a major non-compliance (as defined in the Quality Manual) results in an increase of compliance auditing costs or imposes costs or losses to Grower(s).

The Grower contracts will need to provide for:

- The volume of product to be delivered by the Grower and the indication of harvest dates to meet a marketing plan;
- Definition of the point where responsibility for the fruit and its quality and food safety passes from Grower to Packer;
- A declaration of the presence and nature of any insurance cover if any, or that there is no insurance, on the crop post picking;
- Where appropriate, arrangements for payment to the Grower and the calculation of the price;
- Confirmation by both parties of registration pursuant to the EMS and completion of the appropriate contracts in accordance with that;
- An undertaking by both parties to comply with the EMS;
- The arrangements to ensure that library trays are collected, delivered to the contracted service provider and analysed in the compliance with the Quality Manual;
- The loss of return for the fruit provided for library trays is to be borne by the Grower supplying the fruit (see clause 4.2.4.24);
- Ensure that growers consent is given for parties requiring access to library tray data pertaining to their PPIN.

- A statement to the effect that where the contract is in conflict with the EMS then the terms and conditions of the EMS will prevail.

To ensure compliance with the EMS the Packer shall obtain the approval of the AIC by providing a representative copy of the Grower contract prior to the signing of such contracts by Growers or at the latest by 30 June. Where the AIC is requested to approve contracts after June 30, the AIC reserves the right to charge for such approvals (see Clause 8.7).

The AIC recognises that such information is commercially sensitive and could be used to the competitive advantage of the recipient. The AIC therefore undertakes to respect commercial confidentiality in the use of the information.

4.2.3.7

The Packer shall supply estimates of fruit it intends to pack as part of the AIC Crop Estimation programme and shall provide this information when requested by the AIC. Reporting shall be by P-PIN when requested by the AIC.

4.2.3.8

Packers shall electronically report to the AIC [www.nzavocado.co.nz] accurate details of the actual volumes packed for the week ending 5pm each Friday with such information communicated by 12 noon on the immediately following Tuesday.

4.2.3.9

Such weekly report shall also record other information as required for market destination, size and grade.

4.2.3.10

Where a Packer packs fruit from more than one region the Packer shall submit a separate weekly report for each region (Far North, Whangarei, Bay of Plenty and Rest of New Zealand)

4.2.3.11

Each registered Packer shall keep accurate records of avocados supplied and packed including pack out rates and reject information, details of which shall be made available to Exporters of that fruit, within three (3) working days of packing.

4.2.3.12

Each registered Packer shall keep accurate records of avocados supplied and packed including pack out rates and reject information, details of which shall be made available to the Growers of that fruit, within five (5) working days of the completion of packing.

4.2.3.13

The registered Packer shall nominate an employee to be the person who is responsible for ensuring that the EMS is complied with in all respects and notify the AIC with the contact details for this person(s).

4.2.3.14

Each registered Packer shall be required to attend a pre-season meeting on Packer obligations and technical requirements, convened by the AIC.

4.2.3.15

Packers shall exercise due care and diligence when receiving, packing and consolidating avocados and shall ensure that such avocados shall leave the Packer in as optimal condition as is possible.

4.2.3.16

Each registered Packer must only pack avocados for fresh export on provision of a completed spray diary and after verifying that the chemicals used comply with the importing country's requirements.

4.2.3.17

The Packer must ensure, before fruit is packed, that it complies with the minimum average maturity standard as specified in the Quality Manual. Packers will be invoiced for full cost recovery of all failed independent maturity tests. A clearance to pick must be obtained from the independent verifier approved by the AIC.

4.2.3.18

Fruit shall be treated at the entry to the pack line in accordance with the importing country's requirements as detailed in the Quality Manual.

4.2.3.19

Each pack shall contain the fruit from one P-PIN only. Where the Packer is left with a partly filled pack at the end of a Grower line that fruit shall be discarded and the cost of that lost fruit borne by the Grower.

4.2.3.20

In all respects the Packer shall comply with this EMS and the Quality Management programme set out in the Quality Manual, which is provided online at www.nzavocado.co.nz, against which they will be audited.

4.2.3.21

The Packer shall ensure that the time between picking and packing complies with the requirements in the Quality Manual.

If under exceptional circumstances the requirements are exceeded the procedures outlined in the Quality Manual are to be followed.

Failure to notify the appropriate parties, as required within the Quality Manual procedure, constitutes a major non-compliance with the EMS.

4.2.3.22

All registered packers shall ensure that library trays are collected, delivered to the contracted service provider and analysed in compliance with the Quality Manual.

4.2.3.23

All registered Packers shall comply with the industry Food Safety programme.

4.2.3.24

Registered Packers shall supply the Exporters for which they packed fruit during the season, with the library tray results within 48 hours of receipt of specific request from the Exporter.

It is recommended that where the Packer is packing fruit for a customer that requires access to the library tray data as a requirement of supply, that the Packer and Exporter contractually agree the process for access and supply of library tray data. Additionally, contracts with growers' must ensure that the growers consent is given for these parties to access library tray data pertaining to their PPIN.

4.2.3.25

At the completion of packing for an export season, the Packer will:

- (i) notify the AIC of completion of packing within 7 working days, via the electronic reporting process; and,
- (ii) shall submit within 30 days of the notification of completion of export packing or no later than the 15th April in each year, a complete and final report by P-PIN in the form provided by the AIC.

4.2.3.26

Each registered Packer must notify the Grower involved and the Exporter when a non-compliance with the EMS is identified and copy such notification to the CEO of the AIC.

4.2.3.27

Each registered Packer will be subject to an audit process of their quality systems and records. Packers must comply with instructions from the independent auditor.

4.2.4 GROWERS

4.2.4.1

Growers exporting fresh avocados are **required** to register annually with the AIC. The electronic registration procedure is available via the industry website www.nzavocado.co.nz. Where the AIC is required to assist with processing non-electronic registrations, an additional fee shall apply. Registration is the only basis upon which the AIC can obtain accurate information as to the parties involved in the industry, and their participation in it.

4.2.4.2

The AIC shall not be bound to register any Grower who owes money to the AIC or HEA whether that liability arises under this EMS or otherwise.

4.2.4.3

All Growers are identified by a P-PIN Grower identification number, which is obtained through the AIC. If a Grower owns more than one property, they must obtain a P-PIN number for each property (as defined by the valuation number).

4.2.4.4

A Grower must register each property, to which a P-PIN number is allocated and from which they intend to export fruit.

4.2.4.5

Registration for the current season shall be affected by 1 July in each year or such later date as the AIC may allow. Registration for the current season must, in any event, be affected prior to the date of export of any fruit.

4.2.4.6

Growers must conclude contracts with an Exporter and Packer covering matters set out in this EMS. Where there is any conflict between such contracts and the EMS then the terms and conditions of this EMS shall prevail.

4.2.4.7

Growers in arranging picking programmes will co-operate with the Exporter responsible for that fruit in synchronising their programmes with the crop flow plan formulated by the Exporter.

4.2.4.8

Each Grower must comply with this EMS and the requirements of the Quality Management programme as defined in the Quality Manual, available electronically at www.nzavocado.co.nz. Compliance includes, but is not limited to, adherence to the industry Grade Standards and the industry Food Safety programme for export avocados and to the AQIS pre-clearance requirements for Australia.

4.2.4.9

Growers must ensure that fruit meets the importing country's requirements (refer to the Quality Manual).

4.2.4.10

The party responsible for the application of agrochemicals in the orchard must hold a valid Growsafe® certificate and where necessary an Approved Handler Certificate.

4.2.4.11

The Grower, or their duly authorised agent, must complete the AIC Spray Diary in electronic form. All requested information must be entered into the spray diary. Incomplete information will be regarded as a non-compliance with this EMS.

4.2.4.12

Agrochemicals registered for applications to avocados are specified in the Quality Manual.

4.2.4.13

A separate electronic spray diary shall be kept for each property for which the Grower holds a P-PIN.

4.2.4.14

The AIC Spray Diary must be verified by the Packer prior to the commencement of each cycle or picking round of harvesting for export, as defined in the Quality Manual.

4.2.4.15

The Grower or his authorised agent must certify the accuracy of the spray diary contents and the Grower is responsible for the accuracy of that certification.

4.2.4.15.1

Where a residue is detected during random residue testing that is from a chemical that is not recorded as applied in the spray diary the AIC will investigate the findings and will then consider appropriate action, which will follow the procedure outlined in Clauses 6.4 - 6.9 inclusive.

4.2.4.16

No fruit shall be harvested for a market within the withholding period specified by the spray diary. Where there is no withholding period set a residue test must be performed to demonstrate compliance with the MRL.

4.2.4.17

For those countries where MRL's are specified all fruit exported to those countries must meet the importing country MRL requirements.

For those countries where an MRL has not been specified for a chemical then the relevant New Zealand MRL will apply for that chemical.

It is the responsibility of the exporter to be aware of the requirements of both the importing country and the importer.

If a consignment of product is subject to residue testing on arrival then the Exporter must notify the AIC within three working days and notify the results to the AIC within 10 days of receipt.

4.2.4.18

Growers may under special circumstances, for example pest outbreaks, apply to the AIC for dispensation for off-label use of a chemical appropriate to the situation. Where such approval is given by the AIC it may be subject to the condition that the fruit affected be subjected to an appropriate residue test prior to harvest.

4.2.4.19

Where a Registered Grower is in breach of the HSNO Act or the proposed Food Safety legislation, the AIC reserves the right to deny registration of that Grower for a period of two (2) years.

4.2.4.20

Harvested fruit must achieve the minimum dry matter requirements as specified in the Quality Manual. Harvesting may only commence after a maturity clearance has been issued by the AIC approved independent verifier. The maturity clearance programme shall run from the start of the export season until such time as a blanket dispensation to this requirement is issued by the AIC.

4.2.4.21

The Grower must ensure that fruit is delivered to a suitable storage facility, as defined in Part 2, Section 2.4 of the Quality Manual.

4.2.4.22

Growers shall supply to the AIC, the Packer, and the Exporter, a crop estimate following the method described in the industry Growers Manual, at least once prior to 1 July in each year.

4.2.4.23

Each Grower must pay royalties for fruit cultivars. Each PVR protected cultivar is potentially different in terms of how royalties are applied but currently all royalties are collected as a one off payment included in the purchase price of the tree.

4.2.4.24

As part of the Quality programme Growers must provide fruit for and participate in the library tray programme which is required for the monitoring and improvement of fruit quality. Growers shall provide fruit at their own cost for the library trays.

4.2.4.25

Growers will be required to be AvoGreen[®] compliant and have monitored their crops under the AvoGreen[®] Specifications from 1 November 2010 as a requirement for export in the 2011-2012 export season.

5 QUALITY AND FOOD SAFETY

- 5.1** The AIC has long been aware of the need for the industry to build in quality throughout the production chain. In the past however the need to comply with an importing country's quarantine requirements has taken prominence over other aspects of quality in the industry, thus resulting in a compliance programme rather than education.
- 5.2** The AIC must now ensure that the needs of the industry and the needs of the importing country are met with an appropriate quality and food safety management programme that separates compliance requirements from educational needs. This demarcation will clarify the AIC expectations and will assist the service providers in a more focused delivery.
- 5.3** The Avocado Quality Manual ("the Quality Manual") and electronic Spray Diary produced by the AIC and available electronically at www.nzavocado.co.nz, will be updated regularly. It is the responsibility of Exporters, Packers and Growers to be compliant with the current versions of these documents at all times.

- 5.4 Spray diaries must be verified prior to harvest to ensure appropriate requirements are met. Embedded in the Quality Manual is the industry Food Safety programme. Food safety has been included as an EMS requirement in response to marketer signals and to provide assurances in export markets that New Zealand avocados are safe to eat. Consumers and customers are becoming more sensitive to food safety issues and the AIC understands that there are distinct operational and financial benefits in having an industry wide generic food safety programme in markets with multiple customers and consumers.
- 5.5 Overall, a balance between education and compliance will be the main focus for the AIC. This will be achieved through consultation, negotiation and education on the reasons behind the compliance requirements with Growers, Packers and Exporters.
- 5.6 On registration, all Packers and Exporters are required to be conversant with the current version of the Quality Manual, maintained on the industry website www.nzavocado.co.nz. Growers will be required to acknowledge that they have read the EMS and Grower section of the Quality Manual in electronic format at the time of registration, these documents will be provided in electronic format via the industry website. All Growers are required to maintain a spray diary, in electronic form and have an arrangement for electronic access to the industry website.
- 5.7 Growers, Packers and Exporters will be subject to compliance audits against this EMS and those EMS requirements contained within the Quality Manual. These audits will be conducted by an independent verification agency, contracted by and reporting to the AIC.

6 EXEMPTION AND SUSPENSION PROCEDURES

- 6.1 The AIC remains concerned with the possibility of a major pesticide or other residue failure, other food safety issues or a fruit quality breach negatively affecting many PPIN's any one season. International markets, customers and consumers are becoming increasingly sensitive to issues of food safety and food security. The AIC has responsibilities to minimise such risk to the wider avocado export Grower community.

Exemption:

- 6.2 Certificates of exemption from compliance with the EMS may be issued by the HEA, only after consultation with the AIC, so long as the exempt action/activity does not prejudice the EMS. Any such exemptions should be applied for by 31 July in each year, or prior to the commencement of the export season, or at such later date as the AIC may allow. Full consideration of the exemption application will be given by the AIC directors who will forward a recommendation to the HEA.

6.3 Class of Fruit to be Exported

6.3.1

Clause 3.9 sets out the specific strategies for markets we have export access to. To ensure that the investments being made in market access and development are not jeopardised by creating artificial competition between grades of fruit, **the AIC requires that for all export markets Class I fruit ONLY will be exported.**

6.3.2

Section 41 of the HEA Act allows for licenced exporters to apply to the HEA (who will then seek the AIC's recommendation) for an exemption from the EMS requirements (including clause 6.3.1 - the class of fruit exported).

6.3.3

Where a certificate of exemption is sought in relation to the requirement of Clause 6.3.1 for fruit to be exported to Australia, Japan, European Union, United Kingdom, Korea, Taiwan, or the United States of America, the RPG (refer cl 4.1.2) will assess the application and advise the HEA on the industry position. The RPG will consider the application on the basis of Clause 6.3.4, and consider any other additional conditions or requirements that are recommended by the AIC Technical Manager, AIC Chief Executive Officer or AIC Directors. RPG's decisions and recommendations in relation to exemptions shall be made by resolution of the RPG.

6.3.4 The RPG shall consider the following in making recommendations to HEA:

- (i) That the granting of any exemption sought does not impact or undermine the plans or commercial arrangements of other industry stakeholders;
- (ii) Where an exemption is sought to the Class of fruit to key markets that it must meet the test of Section 41 of the HEA Act;
- (iii) Consult with AVEC for guidance on the application and if necessary AVEC's position will be determined by vote attaining at least 75% support in "volume" (volume being defined as the volume exported by each exporter in the immediately preceding season) and >50%"number" of AVEC members;
- (iv) The RPG shall consider the "opinion of growers," through the grower executive;
- (v) The RPG shall consider the impact on the equity and opportunity for all growers;
- (vi) In the event that an exemption is granted the RPG reserves the right to apply any conditions as the RPG sees fit to preserve equity and opportunity and to avoid disruption to plans or commercial arrangements of other industry stakeholders;
- (vii) In regard to fruit to be exported for processing in a market also receiving fruit for sale as fresh fruit, a licenced exporter may apply to the HEA for an exemption to export fruit to a processor, under conditions to be defined and set by the AIC at the time the application is considered.

6.3.5

For exemption requests from the Class 1 requirement for countries other than those listed in Clause 6.3.3, the applicant must be able to show distinct separation and provide assurance that Class II fruit will not impact on the returns for other product offered in the market.

6.3.6

If necessary, the AIC will define any amendments to the Quality Manual in order to facilitate trade and advise the HEA of changes to the Quality Manual in compliance with the requirements of Clause 4.1.4

Suspension:

6.4 Where a failure to follow the requirements of this EMS or non-compliance with Food Safety or Quality Manual obligations is detected and investigated the AIC will then consider appropriate action. The AIC may:

6.4.1

Instruct that Grower to cease harvesting for export.

6.4.2

Instruct the Packer to cease packing the fruit of the defaulting Grower for export.

6.4.3

Instruct the Exporter not to export the fruit of that defaulting Grower & notify the HEA.

6.4.4

Such instruction may be in written or electronic form served at the address provided in the registration form of the entity involved.

6.4.5

Such instruction shall be effective upon receipt.

- 6.5** The instruction(s) issued under Clause 6.4, a Notice of Suspension, shall continue in force until the AIC otherwise determines.
- 6.6** If the AIC determines subsequent to the Notice of Suspension being issued that such default is deliberate or is incapable of remedy or an entity fails to comply with a Notice of Suspension, the AIC may give notice of its intention to cancel the registration of that Grower or Packer.
- 6.7** The provisions of Section 39 of the Act shall then govern the procedure to be followed by the parties, as if the registration was the licence and as if the Grower or Packer was an Exporter and the AIC was the authority.
- 6.8** Where subsequent to a failure to follow the requirements of this EMS or non-compliance being investigated (following Clause 6.7 above) it is determined by the AIC to be a breach of the EMS, then the AIC shall be required to notify all licensed Exporters and the HEA of any action(s) taken against the Grower or Packer.
- 6.9** The AIC shall be entitled to decline any application for registration in any subsequent export season which is made to it by a Grower, Packer or Exporter who has previously failed or refused to comply with a suspension notice or otherwise qualified for deregistration but such decision shall be subject to the same procedure set out in Clause 6.7 above.

7 REPORTING

- 7.1** All parties supplying information pursuant to this EMS recognise that the information is to be utilised to facilitate the strategic and cohesive marketing of fruit throughout the export season. The AIC recognises that such information is commercially sensitive and could be used to the competitive advantage of the recipient. The AIC therefore undertakes to respect commercial confidentiality in the use of the information.
- 7.2** Any person supplying information pursuant to this EMS consents to its dissemination in accordance with this EMS.

8 FUNDING

All sums referred to in this section are in New Zealand Dollar (NZD) terms, and are exclusive of GST.

- 8.1** The registration fees will be reviewed annually with consideration to the CPI. Fees for the 2011 – 2012 export season, payable to the AIC are:

Exporter Registration

If paid prior to 31 July 2011 the sum of \$4845.00, or;
If paid prior to 31 August 2011 the sum of \$5329.00, or;
If paid prior to 30 September 2011 the sum of \$5862.00, or;
If paid after 30 September 2011 the sum of \$6448.00.

Exporter under HEA License Exemption

The sum of \$500.00

Packer Registration

If paid prior to 31 July 2011 the sum of \$2450.00, or;
If paid prior to 31 August 2011 the sum of \$2695.00, or;
If paid prior to 30 September 2011 the sum of \$2964, or;
If paid after 30 September 2011 the sum of \$3261.

Grower Registration

If paid prior to 1 July 2011 the sum of \$135.00, (\$155.25 including GST) or;
If paid prior to 1 August 2011 the sum of \$160.00, (\$184.00 including GST) or;
If paid after 1 August 2011 the sum of \$235.00 (\$270.25 including GST).

An additional fee of \$20.00 (incl GST) will be made where the AIC is required to manually process non-electronic registrations.

This fee structure is designed to encourage early registration to enable forward industry planning for the reasons given above. Further details are available at www.nzavocado.co.nz on the electronic registration forms.

- 8.2** The management fee payable to the AIC shall be at the rate of 42cents for each 5.5kg tray equivalent, payable by the Grower. The total payment of 42cents per tray equivalent shall be collected by the Exporter and paid to the AIC by the 20th day of the month immediately following remittance for the sale being received for the export consignment. Thereafter unpaid fees shall incur interest payable by the Exporter at the rate of 2% per calendar month.
- 8.3** The management fee stipulated in Clause 8.2 is independent of the Commodity Levy payable under the Commodity Levies (Avocados) Order 2007 (at a rate of 37.5 cents per 5.5kg tray equivalent) which shall also be collected and paid by the Exporter pursuant to that Order.
- 8.4** Exporters will remit 2.5 cents for each 5.5kg tray equivalent exported, to support phytosanitary surveillance, as agreed with AVEC.
- 8.5** Subject to AVEC support, Exporters will contribute 1 cent for each 5.5kg tray equivalent to resource market access activities.
- 8.6** Where the AIC is required to supply services to Exporters or Packers for non-budgeted activities, the AIC reserves the right to charge (at a rate of \$125.00/hour) for such services directly to the Packers and Exporters requesting the services, or where the services are generic on a pro rata export volume basis.
- 8.7** The anticipated budget for the application of the management fee in the 2010-2011 season is attached as Appendix 12.5.

9 AUDITING THE EFFECTIVENESS OF EMS

The effectiveness of the EMS in achieving the marketing goals is assessed on an annual basis by comparison with, market share figures and achievement of industry performance indicators established by the AIC Board in consultation with the AGA Executive, as outlined in the Strategic Plan for the Avocado Industry Council. This strategic plan has been developed with input from key industry stakeholders including Growers, Packers and Exporters.

10 REVIEW PROCESS

The AIC takes responsibility on behalf of the product group to review the content of the EMS on an annual basis. This review includes the industry strategic objectives, regulatory requirements, business plan, tactical objectives and market strategies.

Stakeholder Consultation

As part of the review process all stakeholders are invited to make submissions. Growers' submissions are considered by a Grower constituted EMS committee, reporting to the CEO. Packer and Exporter submissions are considered directly by the industry CEO or referred to the EMS committee where Grower interests are impacted.

An EMS Strategic Review has considered the strategic market objectives and the wider Strategic Plan for the industry, developed during 2007 and reviewed in 2010. The review team comprised representatives from all sectors and stakeholders within the industry and reported to the CEO and AIC Directors. Recommendations of the committee have been implemented in this EMS. Issues addressed included Carbon Footprint, Environmental Responsibilities, AvoGreen®, Generic Promotion (by market), New Market Development/Opportunities, Market Access Issues, Hass reliance (product diversity vs competitive advantage).

11 LEVEL OF PRODUCT GROUP SUPPORT

Grower support for this EMS can be assessed by the level of support at the AGM of the peak Grower body, the AGA. Growers each year must vote on the setting of a commodity levy, which in part provides funds to support the industry and the activities underpinning this EMS. Similarly the budget for the AIC is ratified by the AGA Executive who act as the sole shareholder of the AIC.

An indirect measure of support by key stakeholders is the absence of challenges to the EMS, and the level of Grower, Packer and Exporter compliance with the EMS and Quality Manual requirements.

12 APPENDICES

12.1 Contact List

Avocado Industry Council Limited – Recognised Product Group Directors

Chairman

John Schnackenberg
694 State Highway 2
RD 1
Katikati 3177

Tel: 07 549 0717
Fax: 07 549 0710
Mobile: 021 731 437
Email: jschnack@ihug.co.nz

Grower Directors

Ashby Whitehead
92 Gridley Road
RD 8
Te Puke 3188

Tel: 07 573 6680
Fax : 07 573 6680
Mobile : 027 283 2192
Email : alwhitehead@xtra.co.nz

Roger Barber
Tudorwood Orchard
175 Church Road
RD 1 Kamo
Whangarei 0185

Tel: 09 435 0785
Fax: 09 435 0785
Mobile: 021 488 124
Email: barbers@ihug.co.nz

Tony Ponder
Flaxmill Avocados Ltd
73 Armstrong Road
RD 2
Tauranga 3172

Tel: 07 552 4223
Fax: 07 552 4224
Mobile: 0274 733 712
Email: tony@southernproduce.co.nz

Exporter Directors

John Carroll
Primor Produce Ltd
PO Box 9190
Newmarket
Auckland 1149

Tel: 09 522 2822
Fax: 09 522 1811
Mobile: 0274 959 388
Email: johnc@primor.co.nz

Andrew Darling
96 Woodlands Road
RD 1
Katikati 3177

Tel: 07 549 2100
Fax: 07 549 3028
Mobile: 021 497 666
Email : andrewd@globalfresh.co.nz

Chief Executive Officer

Jen Scoular
Avocado Industry Council
PO Box 13267
Tauranga 3141

Tel: 07 571 6147
Fax: 07 571 6145
Mobile: 021 741 014
Email: jen.scoular@nzavocado.co.nz

12.2 Export Statistics

2006-2007

	Trays (5.5kg equiv.)	Tons	%
Australia	898,591	4,942	44.8
USA	-	-	-
Japan	23,647	130	1.2
Other Export Markets	23,647	130	1.2
Domestic	989,335	5,441	49.3
Domestic processing	71,137	391	3.5
Total	2,006,357	11,035	100 %

2007-2008

	Trays (5.5kg equiv.)	Tons	%
Australia	1,957,198	10,766	40.3
USA	449,626	2,473	9.2
Japan	158,692	872	3.3
Other Export Markets	79,346	436	1.6
Domestic	1,480,529	8144	30.4
Domestic processing	741,089	4075	15.2
Total	4,866,480	26,766	100 %

2008-2009 (Provisional 13th March 2009)

	Trays (5.5kg equiv.)	Tons	%
Australia	1,262,850	6,946	47.6
USA	-	-	-
Japan	101,641	559	3.8
Other Export Markets	27,486	153	1.0
Domestic	1,121,694	6,169	42.3
Domestic processing	141,179	776	5.3
Total	2,654,850	14,603	100 %

2009-2010 (Provisional 12th March 2010)

	Trays (5.5kg equiv.)	Tons	%
Australia	1,881,848	10,350	49
USA	53,710	295	1.4
Japan	231,187	1,272	6
Other Export Markets	73,841	406	1.8
Domestic	1,285,444	7,070	34
Domestic processing	298,318	1,641	7.8
Total	3,824,348	21,034	100 %

2010-2011 (Provisional 8th April 2011)

	Trays (5.5kg equiv.)	Tons	%
Australia	1,554,127	8,548	53.1
USA	-	-	-
Japan	99,452	547	3.4
Other Export Markets	35,068	193	1.2
Domestic	960,921	5,285	32.9
Domestic processing	274,673	1,511	9.4
Total	2,924,241	16,084	100 %

12.3 AIC Registration Contracts

12.3.1 Exporter

12.3.2 Packer

12.3.3 Grower

Registrations will be effected electronically using the registration process available via the industry website www.nzavocado.co.nz

Registrations are available from 1 May 2011 for the 2011-2012 export season.

Where the AIC is required to assist with processing non-electronic registrations an additional fee shall apply – see Clause 8.1

12.4 Exporters and Packers Registered for 2010-2011 Season

Exporters Name and Address	Phone	Status/comment
Chevalier Wholesale Produce Ltd P O Box 19-030 Avondale Auckland 1746	09 828 8348	Licensed exporter
Delica Ltd PO Box 107030 Airport Oaks Auckland 2154	09 256 9323	Licensed exporter
Fresh Fruit Company of NZ Ltd (Freshco) P O Box 886 Shortland Street Auckland 1140	09 376 9990	Licensed exporter
Freshmax NZ Ltd (trading as Intermax) P O Box 22037 Otahuhu Auckland 1640	09 917 1445	Licensed exporter
JP Exports Ltd 29 Clemow Drive Mt. Wellington Auckland 1060	07 549 1781	Licensed exporter
King Avocado Ltd Private Bag 93-217 Parnell Auckland 1151	09 377 3470	Licensed exporter
MG Marketing PO Box 8581 Riccarton Christchurch 8440	03 343 0430	Licensed exporter
NZ Avocado Marketing Ltd (NZAML) PO Box 14-450 Tauranga 3143	07 579 0497	Licensed exporter
Perfection Fresh NZ Pty Ltd 1479 North Eyre Road RD 5 Rangiora Canterbury 7475	0275 974 726	Licensed exporter
Primor Produce Ltd PO Box 9190 Newmarket Auckland 1149	09 522 2822	Licensed exporter
SAPAC (trading as Global Fresh) PO Box 272 Katikati 3166	07 549 3027	Licensed exporter
Seeka Kiwifruit Industries Ltd. PO Box 47 Te Puke 3153	07 549 3061	Licensed exporter
Southern Produce Ltd PO Box 16077 Bethlehem 3147	07 552 6880	Licensed exporter

For a list of licenced exporters refer to www.hea.co.nz

Avocado Industry Council Limited

Packhouses Name and Address	Phone
Aerocool Ltd 18 Mends Lane RD 6 Te Puke 3186	07 533 6212
Apata Ltd - Northland P O Box 1507 Whangarei 0140	09 430 8003
Apata Ltd Turntable Road RD2 Katikati 3178	07 552 0911
Bravo - Glenbervie PO Box 4154 Kamo Whangarei 0141	09 437 3003
Bravo - Marshall Road P O Box 243 Te Puke 3153	07 549 0008
Deltapac 2004 Ltd PO Box 2109 Gisborne 4040	06 867 7920
DMS Pro growers Ltd PO Box 13210 Tauranga 3141	07 552 5916
Far North Packers PO Box 66 Awanui 0451	09 406 7572
Golden Mile Fruitpackers PO Box 10076 Whangarei 0143	09 438 2326
Just Avocados Ltd PO Box 272 Katikati 3166	07 549 3027
Kiwi Produce P O Box 445 Te Puke 3153	07 533 1390
Natural Touch (formerly Hevila Pak) 406 Apotu Road RD 1 Kamo Whangarei 0185	09 434 6577
NZ Kiwifruit Ltd 376 Kauri Point Road RD1 Katikati 3177	07 549 1047
Peninsula Packhouse RD 1 Whitianga 3591	07 866 3519
SEEKA Kiwifruit Industries Ltd PO Box 86 Katikati 3166	07 549 3061
Tandara Opotiki 26 Vedders Road RD2 Opotiki 3198	07 315 4725

Avocado Industry Council Limited

Packhouses Name and Address	Phone
Trevelyan Pack and Cool Limited 310 No 1 Road RD2 Te Puke 3182	07 573 8750
Turners & Growers Horticulture Ltd (Formerly Kericold) Waipapa Road RD 2 Kerikeri 0295	09 407 8049

HEA Approved 2011 - 2012 EMS

12.5 AIC Budget 2010 - 2011

**New Zealand Avocado Growers' Association Inc
and
Avocado Industry Council Ltd
Consolidated Provisional Budget
1 May 2010 to 30 April 2011**

Income		
Commodity Levy		
Oil processing	0	
Local market sales	492,980	
Export	281,750	
Total Commodity Levy	774,730	
Export Management fee	845,250	
Exporter/Grower ASBV fee	40,250	
Exporter Market Access fee	16,100	
Registrations	243,790	
Interest Received	16,736	
Australian Promotions Contribution	241,500	
Germplasm royalties	5,250	
AvoScene	48,000	
Sundry Income	15,000	
R&D Grants	75,000	
Total Income		2,321,606
Expenses		
Governance		
AIC (RPG)	107,776	
AGA	392,105	
Internal	7,500	
Communications		
Technology Transfer	269,801	
Stakeholder Communications	125,927	
Other Communications	31,257	
Promotions	294,941	
Market Intelligence & Access	7,889	
Export Systems Management		
Biosecurity & Market Access	84,035	
EMS Management	413,311	
Quality monitoring	193,385	
Research		
General R&D support	41,039	
Quality R&D	95,785	
Productivity R&D	241,838	
Germplasm	196,197	
Sustainability R&D	73,907	
Other expenses		
Depreciation	70,000	
Tax expense	4,000	
Total Expenses		2,650,693
Net Surplus / (Deficit)		-329,087

* Provisional budget as at 30 March 2010 - Budget not approved at this date.

12.6 Exporter Flow Plan Data Request Form

Available electronically from the AIC

12.7 Exporter & Packer End of Season Forms

Available electronically from the AIC

HEA Approved 2011 - 2012 EMS

12.8 Abbreviations

List of Abbreviations – in order of use

EMS	Export Marketing Strategy
HEA	New Zealand Horticulture Export Authority
AIC	Avocado Industry Council Limited
AGA	New Zealand Avocado Growers' Association Incorporated
PGR.....	Recognised Product Group Committee (of AIC)
JIT.....	Just in Time
KRA	Key Result Area
FX	Foreign Exchange
AVEC	Avocado Exporters Council
HAB	Hass Avocado Board
AVANZA	Collaborative Marketing Group
AAL	Avocados Australia Limited
ANZCERT	Australia New Zealand Closer Economic Relations Treaty
PMAC	Plant Market Access Council (Members: Exporters, MAF (Formerly NZFSA), MAF (Formerly BNZ), MFAT)
AvoGreen®	System for pest monitoring and targeted spray application
AvoConnect	AIC e-Bulletin
AvoTechno	AIC Technology e-Bulletin
Spray Diary	AIC electronic spray diary programme
QM	Avocado Quality Manual
Exporters	Avocado exporters currently registered with the AIC
FSA	Food Safety Authority
MAF	Ministry of Agriculture and Forestry

Avocado Industry Council Limited

MRL	Maximum Residue Limit
Packers	Packers packing avocados and currently registered with the AIC
P-PIN	Persea – Property Identification Number
Growers	AGA growers registered with the AIC to export avocados
Growsafe® Certificate	Application of pesticides Certificate
Approved Handler Certificate ..	HSNO requirement for handling, buying and storing some chemicals
HSNO Act	Hazardous Substances and New Organisms Act 1996
PVR Act	Plant Variety Rights Act 1987
HEA Act	Horticulture Export Authority Act 1987
Commodity Levy	Levy paid by Growers' under the Commodity Levies (Avocados) Order 2007
AMAPWG	Avocado Marketing and Production Working Group
DCA	Dynamic Controlled Atmosphere
Varieties	Subspecies or cultivar eg. Hass, Reed, Lamb Hass