



2025-26 **DARLING GROUP** **MARKETING LTD** **SUPPLY PROPOSAL**

June 2025

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DARLING GROUP INTRODUCTION

*A better way to provide
fresh produce everyday.*



Katikati locals, Andrew and Jo Darling have been investing in kiwi horticulture since 1995. They were instrumental in the formation of New Zealand's only avocado-centric packhouse, Just Avocados, in 2010, born from the desire to do a better job for avocado growers.



Darling Group Holdings Ltd (Darling Group) was established in 2016 as the parent company for a growing portfolio of businesses across the international avocado supply chain, from growing to distribution. Nathan and Jacob, two of Andrew and Jo's sons, have key roles within the business, responsible for orchard services and export sales respectively.

Darling Group has had a global sourcing strategy for avocados since 2017 which provides the *Darling Avocado* brand with year-round relevance with customers in key markets, it also means we have our finger on the pulse of the global avocado market.

Vertically integrated business

Darling Group Marketing is part of a family of businesses within Darling Group that gives our growers grass roots expertise, on the ground representation in our largest export markets, and year-round brand exposure with customers and consumers in Asia. Our businesses involved in the avocado supply chain are...

Avoworks



Avoworks provides a unique “pick and mix” suite of on orchard operation solutions. From site selection and development to pruning, harvesting, and transporting your fruit to the packhouse. Supported by industry leading science and technology, Nathan and his team specialise in orchard growth and profitability.

Just Avocados



Just Avocados is an industry leading packhouse with a dedicated focus on preparing your avocado crop for international markets. We assist with compliance, technical advice and harvest planning. Our primary focus is to maximise your total marketable fruit, assisting you with greater profitability.

Zeafruit



Zeafruit was founded in 2000 with an intense focus on creating value for your fruit. in the domestic market. Zeafruit has long standing relationships within the retail sector and continues to be innovative and agile to meet their needs.

J.H. Leavy & Co.



JH Leavy & Co. is one of the longest established fruit and vegetable wholesaling businesses in the Brisbane Markets, trading since 1907. Charged with receipting your New Zealand grown avocados, warehousing, ripening and then distributing them across the Australian retail chain.

A new purpose-built facility opened in 2021 to provide state of the art produce handling ensuring retail customers get consistent quality.

Darling Group Marketing



Darling Group Marketing is executing the strategy asked for by our growers to create market opportunities that drive added value. Our 12-month supply strategy ensures year-round relevance with customers in Asia and North America. With dedicated representation in Australia, China, and the USA, we gain valuable market intelligence to stay ahead.

China is a key growth market, where we are working closely with New Zealand Trade and Enterprise to maximize value and expand our presence.

2025-26 EXPORT MARKET PLAN

By Jacob Darling - CEO, JH Leavy & Co. / General Manager, Darling Group Marketing



Darling Group Marketing Limited is a registered New Zealand avocado exporter and handles all of Darling Group's international trade. Last season we grew our presence in Canada, a market we pioneered for New Zealand avocados in 2023; we stayed on track with our focus on Asia while limiting volumes to Australia; we continued to be a leader in finding value for a wider range of grades; and, we set the wheels in motion to have an employee on the ground in China in time for the 2025-26 season.

70%



Our market share of NZ avocados exported to Canada in 2024-25

55%



% of our volume we exported to Asia and North America in 2024-25

86%



Our share of the class 2 & 3 volume exported in 2024-25

16%



Our market share of NZ avocados exported to Australia in 2024-25



Looking ahead, several international factors will influence our export strategy and decision-making regarding shipment timing and market allocation for 2025-26. Industry commentary suggests that market conditions may be more challenging in terms of value, primarily due to a larger Western Australian crop. For New Zealand exporters, understanding global supply dynamics and optimising market entry timing will be crucial to navigating these challenges effectively.

2025-26 volume

As a business we are focused on understanding maturity trends, size profile and most importantly crop size. The first cut industry crop estimate released in March has come in 1 million trays less than the 2024-25 season. The consensus at this stage appears to be that it is a cleaner crop but “patchy” across all primary growing regions.

Darling Group Marketing intends to have 750,000 – 850,000 Class 1 export trays. Up from 600,000 trays of C1 in 2024-25 season. Class 2 and 3 export volumes are not inside the above numbers but will equally be a strong focus for us into North America and Australia.

Global forces

Understanding the dynamics of avocado supply from Peru and Mexico and how US tariff policy unfolds is influential on our season start timing and market strategy. It appears Peru's volume is up on last season by 30% to 650,000 tonnes. In addition, the Mexican crop is also up and appears to be starting in Jalisco in June, which will include a smaller size profile. This means there will be price pressure on smaller fruit and this size may not be an option for North America.

The Australian volume appears to be up specific to the tri state and the western Australia growing regions. WA is forecasting 13 – 14 million trays, up from 6-8 million trays in 2024-25. Production is increasing but so is demand. Consumption has increased drastically in Australia; we believe the market is consuming north of 500,000 trays on a weekly basis before price is ultimately impacted.

Other forces we continue to be aware of and that are certainly topical with our customers across Asia and North America are Trump, tariffs, and the discussion of WWII.

Market plan

We intend to continue with the previous season's market selection. This includes Asia at 30% - 40% of our crop, North America with 30% of our crop and the balance available at this stage for Australian retail.

Inside Asia we will focus on China, Korea, and Hong Kong. The intent across Asia will be to continue building relationships with our key retailers, food service companies and wholesalers.

Our strategy has been about building relevance and promoting the brand with the retailer and ultimately the consumer. In addition, we have our new China focussed market manager (Ben Ying) on the ground in Shanghai. This in-market representation will enable us to mitigate quality issues as we can assess the supply chain and distribution facilities, and work through any challenges we come across.



In North America, we have made strong ground in the last two seasons and will be looking to build on this with key supermarkets across Canada and USA. Demand across North America is massive, as such, our issue is more about maintaining our position with other origins competing for the same spot. Having two people on the ground in the USA is an advantage for us when continuing to promote our position as the leading New Zealand avocado business.

In Australia, we will continue our conversation with retail, but it's unknown at this early point how they will respond to NZ fruit considering the supply large Australian crop. I anticipate, we will still have a significant presence in Australian retail, ultimately value will drive this decision. Long term, nothing changes, we are moving away from Australia as a destination.

2025-26 orchard gate return

We are discussing a weighted average OGR value of \$15.00. for export Class 1.

750k - 850k

DGM 2025-26 estimate export trays

30-40%



Planned % of volume to go to Asia

30%



Planned % volume to go to North America

30-40%



Planned % volume to go to Australia



YEARLY PRE-HARVEST CHECKLIST

Growers intending to export avocados must meet the conditions set out by NZ Avocado Industry Ltd (NZAIL). Please refer to this webpage for full details - industry.nzavocado.co.nz/requirements-for-export/.

In the year prior to the start of the export season by November 1...

☐ Be AvoGreen compliant by 1 November if you intend to supply your crop for export. See all details on AvoGreen at industry.nzavocado.compliance/avogreen/avogreen-manual/

☐ Complete market declarations for China (for the following season) and Thailand online at NZAIL AvoHub by 1 November.

- Your block labelling for China must align with your block labelling for AvoGreen® monitoring areas and AvoHub maps. What appears on the MPI register for China MUST align with the map in AvoHub.

- Make sure you have training records for any contractors or staff/workers coming onto your (the Grower's) orchard.
- If you are compliant to GLOBALG.A.P., through an independent inspection, please send a copy of your current certificate to Trevelyan's and quality@justavocados.co.nz

☐ Register for export with NZAIL.

- All growers intending to supply their crop for export need to be registered with NZAIL AvoHub.

☐ Ensure no prohibitive withholding periods on spray applied leading up to harvest. Refer to the NZAIL list of approved agrichemicals showing withholding periods in Part 3 of the NZAIL Quality Manual available here: industry.nzavocado.co.nz/qualitymanual/.

Prior to harvest...

☐ Complete and submit a supply agreement with Darling Group Marketing Ltd through our website.

☐ Ensure anyone spraying your orchard has a current Growsafe certificate (this includes herbicide applications).

- If the Growsafe certificate details are in red font in AvoHub it means that NZAIL don't have a copy of the new certificate - forward a copy to them so that it can be updated in AvoHub.

☐ Be G.A.P. compliant (GLOBALG.A.P.)

- Keep records of all orchard activities for GLOBALG.A.P. audit.

☐ Carry out a pest monitor (AvoGreen®) a maximum of 28 days prior to harvest.

☐ Have your spray diary declared four days out from harvest. Please note that this verification is only valid for 14 days so will need to be redone throughout the season if doing multiple picks.

☐ Monitor your orchard rainfall data from 48 hours prior to harvest and every 24 hours during harvest. If rainfall occurs, please provide rainfall data to Just Avocados.

☐ Have received a Eurofins maturity test pass or regional or blanket maturity clearance has been granted from NZ Avocado.

DARLING GROUP MARKETING LTD

2025-26 SUPPLY AGREEMENT

PARTIES

1. Darling Group Marketing Limited (**DGM**).
2. [GROWER NAME] (**Grower**).

THE PARTIES AGREE

1. The Agreement between DGM and the Grower is comprised of all parts of 2025-26 Darling Group Marketing Limited Supply Proposal (**Proposal**), together with the 2025-26 Pool Policy and Pool Rules (**Pool Policy and Pool Rules**) and this Supply Agreement (**Supply Agreement**). This represents the entire agreement between the parties relating to its subject matter.
2. Where there is any inconsistency between the terms of this Supply Agreement and the Pool Rules, the terms of this Supply Agreement shall prevail.

SALE AND PURCHASE

3. The Grower agrees to sell to DGM, and DGM agrees to buy from the Grower all avocados Accepted by DGM on the terms set out in this Agreement. The purchase price payable by DGM for the avocados shall be determined after the on-sale of the avocados and shall be calculated and payable dependent on the ISO week applicable to the avocados supplied by the Grower (refer to clause 4 below).

AVOCADO GRADES

4. For export avocados of any grade:
 - a) avocados that are packed for the first export shipment for the 2025-26 season until the export shipment at the end of ISO week 7 2026 are part of the 2025-26 export pool (**Export Pool**);
 - b) avocados supplied to DGM after ISO week 7 2026 (**Late Season Avocados**) are not part of the Export Pool. Terms applicable to Late Season Avocados are set out in Schedule 1.
5. DGM will pool the Grower's avocados supplied to DGM with avocados from other growers that supply avocados to DGM. The pool will be run in accordance with the Pool Policy and Pool Rules. The pool will not be independently audited.
6. The amount and timing of payments to the Grower will be determined in accordance with the Pool Policy and Pool Rules and the Grower agrees to accept the amount and timing of such payments.
7. The Grower acknowledges that DGM may fulfil its obligations under the Agreement directly or via a Supplier, in particular that export marketing will be provided by Darling Group Marketing Limited (**DGM**) and/or its Suppliers.
8. DGM is entitled to amend this Agreement for the purpose of ensuring the Agreement complies with the EMS or any applicable law. In the event of any conflict between this Agreement and the EMS, the EMS shall prevail.

CHARGES

9. For the purposes of the Goods and Services Act 1985, GST will be charged by the Grower in respect of payments for the avocados supplied, provided that the Grower is GST registered, and subsequently paid to Inland Revenue by the Grower. The Grower must notify DGM in writing if the Grower is not GST registered.
10. DGM (or, where applicable, its Supplier(s)) will issue a buyer-created tax invoice to the Grower for the avocados supplied with deductions for the charges which are payable by DGM or its Suppliers for the supply of goods and services in respect of the avocados supplied by the Grower in accordance with the terms of the Agreement (**Charges**). The Charges deducted will include the packing and packaging rates (plus GST) for post-harvest services provided in accordance with the Schedule of Charges set out as Appendix 1 to this Agreement.
11. All Charges as outlined in the Agreement are exclusive of GST and the Grower will be liable for GST in addition to the Charges.
12. Notwithstanding that title to the avocados passes to DGM on Acceptance of the avocados as described in clause 20, the Grower authorises DGM and/or its Suppliers to deduct from proceeds received in respect of the Grower's avocados supplied:
 - a) the amount of the Charges plus GST; and
 - b) to pay such Charges to DGM and/or its Suppliers.
13. In the event that proceeds for the avocados are insufficient to cover the Charges plus GST, DGM will invoice the Grower and the Grower shall pay the amount invoiced within 14 days of the date of invoice. Late payment may attract an interest charge calculated daily at the rate of 15% per annum and compounding monthly from the due date until the date that payment in full is received (without prejudice to any rights or remedies DGM may have).
14. The Grower authorises DGM to set off against any payment due to the Grower, any amount owing by the Grower to DGM and/or its Suppliers.
15. The Grower shall arrange picking services directly with the picking contractor and shall make payment for such services directly to the picker.
16. DGM and/or its Suppliers will charge the Grower commission on sales as provided for in the Pool Policy and Pool Rules.
17. The Grower consents to proceeds from the sale of the Grower's export avocados that are supplied to DGM being pooled in accordance with the Pool Policy and Pool Rules and to deductions for:
 - a) DGM's and/or its Suppliers' commission;
 - b) Offshore Costs and Onshore Costs (as applicable), being made in accordance with the Pool Policy and Pool Rules.

ACCEPTANCE OF AND TITLE TO AVOCADOS

18. Title (ownership) to the avocados will pass to DGM at the time of acceptance of the avocados by DGM in accordance with the terms of clause 20 below.
19. The Grower warrants that when the avocados are supplied to DGM for acceptance there is no existing Security Interest over the avocados or the proceeds of the avocados and the Grower agrees that it will not claim or register (or allow any third party to claim or register) any Security Interest in respect of the avocados or the proceeds of the avocados supplied to DGM once title to the avocados has passed to DGM.
20. Subject to clause 21 below, Acceptance of the avocados by DGM occurs once the avocados have been packed into packaging specified by DGM by a DGM-approved and NZAIL-registered packhouse in accordance with

Export Grade Standards and procedures as outlined in the NZAIL Quality Manual (as amended and replaced from time to time).

21. DGM reserves the right to arrange for quality inspections to be carried out by an accredited inspector once avocados have been packed, but prior to shipment. Should this inspection result in avocados being found not to meet EMS standards these avocados will be deemed not to be “accepted” by DGM.
22. Where avocados are rejected due to quality, spray residue levels, or some other breach of the requirements of the EMS, such that the avocados have to be re-directed, re-packed or disposed of:
 - a) DGM will charge the cost of that work to the Grower, including an allowance for administrative management time in resolving the matter.
 - b) DGM will not pay the Grower for the avocados that are rejected and that must be disposed of, but DGM will pay the Grower for avocados that have to be re-directed or repacked (less the costs charged to the Grower referred to in this clause).
 - c) If avocados are rejected and such a rejection results in a shipment being condemned, then DGM may also charge to the Grower the cost of disposing of the condemned shipment plus a reasonable estimation of the amount expected to be realised by that shipment together with all costs of that shipment from orchard gate to market of destination.
23. The avocados are at:
 - a) the Grower’s risk until the avocados are Accepted by DGM in accordance with the terms of clause 20 above; and
 - b) at DGM’s risk from Acceptance until title and risk passes to a buyer.
24. DGM’s insurance cover covers the avocados from the time that they are Accepted by DGM pursuant to the terms of clause 20 above until title in the avocados passes to the buyer. DGM will hold marine cargo insurance but does not hold inherent vice cover.

GROWER’S OBLIGATIONS

25. Prior to picking of the avocados, the Grower will ensure DGM is provided with a crop estimate.
26. The Grower must immediately notify DGM if it becomes aware of any matter that may give rise to an amendment to the crop estimate.
27. The Grower warrants that it has disclosed to DGM in writing any use of unconventional sprays or any matter or orchard practices adopted by the Grower which could possibly cause loss or damage to avocados stored by DGM. The Grower indemnifies DGM against all losses, liabilities, costs or expenses that DGM suffers as a result of any breach by the Grower of this obligation.
28. The Grower warrants that it is registered with NZAIL and agrees to comply with all grower obligations contained in the EMS, NZAIL standards and specifications, and all environmental, food safety, Worksafe, health and safety obligations and all applicable laws.
29. When visiting any DGM or Supplier packhouse, the Grower will report to the site office and will comply with all directions of DGM or its Supplier (as applicable) with regard to health and safety.
30. The Grower shall indemnify and keep indemnified DGM and its Suppliers upon demand for all losses, liabilities, costs and expenses incurred by DGM and/or its Suppliers arising from a breach of the Grower’s obligations under this Agreement or a breach of the Grower’s obligations under the EMS.
31. The Grower acknowledges and agrees that all third-party residue test results completed for DGM or its Supplier(s) can be passed to NZAIL.

DGM'S OBLIGATIONS

32. In providing post-harvest services in respect of the avocados supplied to DGM, DGM and/or its Suppliers will notify the Grower prior to packing if DGM believes that the likely return paid to the Grower by DGM upon sale of the avocados will be nil after Charges plus GST are deducted.
33. DGM or its Suppliers will sell the avocados, including sales to a party or parties who are related to, or associated with, DGM and/or shareholders and/or directors. In marketing the avocados, DGM or its Suppliers will:
 - a) use all reasonable endeavours to maximise the sale value of the avocados, deliver the avocados to market in the best possible condition and minimise the costs of sale;
 - b) establish sales and shipping plans and liaise with the packhouse and coolstore to ensure such plans are met;
 - c) arrange freight and distribution of the avocados to market;
 - d) maintain accurate accounts for the Grower showing pooled sale proceeds, the deduction of costs and expenses associated with the marketing and sale of the avocados, and the balance due to the Grower.
34. DGM and/or its Supplier(s) (where applicable) are NZAIL registered and operate under the EMS. DGM agrees to comply with all exporter obligations (applicable) contained in the EMS.
35. The loss of return for fruit used in an outturn monitoring programme will be borne by DGM.

DISPUTE RESOLUTION

36. The Grower and DGM agree to work together in good faith to resolve any dispute arising from this Agreement by consultation. If resolution cannot be reached within 7 days of written notification of the dispute being given by one party to the other party, either party is free to seek resolution of the dispute by whatever means available at law.
37. Unless otherwise agreed, all parties will continue to perform their obligations in accordance with this Agreement, notwithstanding any dispute.
38. If any provision of this Agreement is illegal or unenforceable, then except where the basic nature of this Agreement is altered, that provision shall be severed and the remainder of this Agreement shall continue to have full force and effect.

DEFINITIONS

39. In this Agreement, unless the context requires otherwise:
 - i) **Acceptance** has the meaning described in clause 20 and **Accepted** has a corresponding meaning;
 - ii) **Advance Payment** has the meaning described in clause 5.a) of the Pool Policy and Pool Rules;
 - iii) **Agreement** means this Supply Agreement, the Proposal and the Pool Policy and Pool Rules;
 - iv) **Certifying body** means the organisation authorised to certify Growers under GLOBALG.A.P.;
 - v) **Charges** has the meaning described in clause 10 of the Supply Agreement;
 - vi) **Consignment** in this Supply Agreement means that payment is made to a grower for the avocados provided by that grower rather than pooled with the avocados supplied by other growers;

- vii) **DGM** means Darling Group Marketing Limited;
- viii) **EMS** means the NZAIL Export Marketing Strategy for Avocados (as amended from time to time);
- ix) **Export Grade Standards** has the meaning described in the NZAIL Quality Manual;
- x) **Export Pool** has the meaning described in clause 2 of the Pool Policy and Pool Rules;
- xi) **Export Tray** or **Export Tray of Avocados** means a single layer export tray of approximately 5.5 kilograms (net weight) or its equivalent;
- xii) **GST** means goods and services tax in accordance with the Goods and Services Tax Act 1985;
- xiii) **Late Season Avocados** has the meaning described in clause 3.b) of this Supply Agreement;
- xiv) **Late Season Return** has the meaning described in clause 1 of Schedule One Late Season Avocados;
- xv) **MRL** means maximum residue limits as set out in the NZAIL Quality Manual which is an addendum to the EMS.
- xvi) **NZAIL** means New Zealand Avocado Industry Limited;
- xvii) **Offshore Costs** has the meaning described in clause 3.d.ii of the Pool Policy and Pool Rules;
- xviii) **Onshore Costs** has the meaning described in clause 3.d.iii of the Pool Policy and Pool Rules;
- xix) **Packing Period** has the meaning described in clause 6.a) of the Pool Policy and Pool Rules;
- xx) **Pool Policy and Pool Rules** means the Darling Group Marketing 2025-26 Pool Policy and Pool Rules;
- xxi) **PPIN** means the unique Persea Property Identification Number used for traceability purposes and to keep historical data about orchards
- xxii) **Producer Group** has the meaning given in the GLOBALG.A.P. rules and **Producer Group Member** has a corresponding meaning;
- xxiii) **Progress Payments** has the meaning described in clause 6.b) of the Pool Policy and Pool Rules;
- xxiv) **Proposal** means the 2025-26 Darling Group Marketing Ltd Supply Proposal;
- xxv) **Security Interest** includes a mortgage, pledge, charge, lien, deferred purchase, title retention and a security interest under the Personal Property Securities Act 1999;
- xxvi) **Supplier** means a related party (as that term is defined in the Companies Act 1993), sub-contractor, agent, service provider and/or other party in the supply chain; and
- xxvii) **Worksafe** means Worksafe New Zealand.

Schedule one – Late Season Avocados

The following applies to avocados supplied to DGM after ISO week 7 2026:

1. DGM will set the payment (**Late Season Return**) for each export tray of Late Season Avocados for each size of avocado (refer to clause 5 below). For the purpose of this Schedule, an “export tray of avocados” means a single layer export tray of approximately 5.5 kilograms (net weight) or its equivalent and “export tray” has an identical meaning.
2. The Late Season Return will be calculated by DGM in accordance with this Schedule. The Late Season Return will be in New Zealand dollars. Foreign exchange gains or losses in relation to all costs and revenues in relation to the Late Season Avocados will be dealt with in accordance with generally accepted accounting practice in New Zealand.

3. The Late Season Return will be calculated as follows:

Late Season Return = Sales less (Offshore costs + Onshore costs + DGM Commission)

4. For the purpose of clause 3 above:

- a) **Sales** means gross revenues received by DGM from the sale of Late Season Avocados, plus amounts recovered from insurers or other third parties for losses in relation to Late Season Avocados.
- b) **Offshore costs** means all costs incurred by DGM and/or its Suppliers in relation to the receipt, export, marketing, handling and sale of Late Season Avocados including overseas client commission, clearance and duty, insurance, ripening, quarantine, cool storage, fumigation, freight, transport, and promotion.
- c) **Onshore costs** means all costs incurred by DGM and its Suppliers in relation to the receipt, export, marketing and sale of Late Season Avocados including freight, insurance, transport from the packhouse to the port, port charges (including demurrage), labels, NZAGA and/ or NZAIL levies, management fees payable under the EMS, Horticulture NZ levies, compliance costs (including GLOBALG.A.P. costs), freight handling systems, temperature recorders, pre-clearance and pre-shipment costs, Quality Compliance charges, administration, finance, residue testing, packing expenses, packaging, and promotion.
- d) **Commission** is calculated on the basis of 10.0% of FOB sales. FOB sales are calculated as follows:

Sales less Offshore costs

5. DGM will pay different prices for different sizes of Late Season Avocados. The payment for different sizes will be determined by DGM based on market returns.
6. DGM will pay the Grower the Late Season Return no later than 60 days following the date on which a Grower’s Late Season Avocados are packed.

DARLING GROUP MARKETING 2025-26 POOL POLICY AND POOL RULES

1. CLASSES

- a) Fruit classes 1, 2 and 3 may be sold as Export.

2. EXPORT POOL (DARLING GROUP MARKETING LIMITED)

- a) For the 2025-26 avocado season, avocados that are packed for the first export shipment for the 2025-26 season until the export shipment at the end of ISO week 7 2026 for the 2025-26 season will form the export pool (**Export Pool**);
- b) The Grower consents to the pooling of the proceeds of sale of the Grower's avocados supplied to Darling Group Marketing (**DGM**) as part of the Export Pool with proceeds belonging to other growers that supply avocados to DGM as part of the Export Pool and agrees to accept payment for the Grower's avocados which are supplied to DGM calculated in accordance with this document.

3. EXPORT PRICE AND POOL RETURNS

- a) DGM will set the payment for each Export Tray of Avocados in the Export Pool for each size of avocado (refer to clause 3.e) below) on a basis that returns all of the Export Pool returns (as defined in clause 3.c) below) to growers on or before 30 June 2026. For the purpose of these Pool Policy and Pool Rules, an "export tray of avocados" means a single layer export tray of approximately 5.5 kilograms (net weight) or its equivalent and "export tray" has an identical meaning.
- b) The Export Pool return will be calculated by DGM in accordance with this document. Export Pool returns will be in New Zealand dollars. Foreign exchange gains or losses in relation to all costs and revenues in relation to the Export Pool will be dealt with in accordance with generally accepted accounting practice in New Zealand.
- c) The Export Pool return will be calculated as follows:

$$\text{Export Pool return} = \text{Sales less (Offshore costs + Onshore costs + DGM commission)}$$

- d) For the purpose of clause 3.c) above:
 - i. **Sales** means gross revenues received by DGM from the sale of avocados in the Export Pool, plus amounts recovered from insurers or other third parties for losses in relation to avocados in the Export Pool.
 - ii. **Offshore costs** means all costs incurred by DGM and/or, its Suppliers in relation to the receipt, export, marketing, handling and sale of avocados in the Export Pool including overseas client commission, clearance and duty, insurance, ripening, quarantine, cool-storage, freight, transport, and promotion.
 - iii. **Onshore costs** means all costs incurred by DGM and its Suppliers in relation to the receipt, export, marketing and sale of avocados in the Export Pool including freight, insurance, transport from the packhouse to the port, port charges (including demurrage), labels, NZAGA and/or NZAIL levies, management fees payable under the EMS, Horticulture NZ levies, compliance costs (including GLOBALG.A.P. costs), freight handling systems, temperature recorders, pre-clearance and pre-shipment costs, Quality Compliance charges, administration, finance, residue testing, packing expenses, packaging, and promotion.

- iv. **Commission** is calculated on the basis of 10.0% of FOB sales. FOB sales are calculated as:

Sales (defined above) less Offshore costs (defined above).

- e) DGM will pay different prices for different sizes of avocados in the Export Pool. The payment for different sizes will be determined by DGM based on market returns.

4. PAYMENTS

- a) Payments to Growers will be as follows:
 - i. an Advance Payment in accordance with clause 5; and
 - ii. Progress Payments in accordance with clause 6; and
 - iii. a final payment in accordance with clause 7,

for each Export Tray supplied to DGM as part of the Export Pool.

5. EXPORT ADVANCE PAYMENT

- a) Once avocados supplied by the Grower to DGM have been packed for export, DGM will pay the Grower an advance payment at the rate set out in 5.c) (**Advance Payment**).
- b) The date on which the Advance Payment will be made is determined by the Packing Period in which the avocados were packed for export as set out in columns A and B of the table in clause 8 below. The Advance Payment will be paid on the date stated in the Advance Payment Date column C of the table.
- c) DGM will make an advance payment (Advance Payment) to the Grower of:
 - i. \$4.00 per Export Tray of Class 1 (16 - 25 count); or
 - ii. \$2.00 per Export Tray of Class 1 (28 - 42 count); or
 - iii. \$1.00 per Export Tray of Class 2 and 3 (16 – 25 count);
 - iv. \$0.50 per Export Tray of Class 2 and 3 (28 – 48 count).

6. EXPORT PROGRESS PAYMENTS

- a) In this clause **Packing Period** means the period from and including the date in the Packing Period Start date shown in column A of the table in clause 8 up to and including the Packing Period End date shown in column B of the table in clause 8.
- b) DGM will make progress payments for each Export Tray described in clause 5.a) (**Progress Payments**) on each of the dates shown in the Progress Payment Date column D of the table in clause 8.
- c) Quantum of Progress Payments made to the Grower will be determined by the marketplace returns during each preceding Packing Period.
- d) Together with the first Progress Payment, DGM will also pay to the Grower the per Export Tray amount of any Progress Payments made from the Export Pool in preceding Packing Periods (if any) multiplied by the number of Export Trays supplied by the Grower and allocated to that Export Pool.

7. EXPORT FINAL PAYMENT

- a) DGM will make a final payment to the Grower for all avocados supplied by the Grower to DGM and allocated to the Export Pool on or before 30 June 2026.

8. PACKING PERIOD AND PAYMENTS DATES

A. Packing Period	B. Packing Period	C. Advance	D. Progress
Start	End	Payment Date	Payment Date
Mon 02 Jun	Sun 08 Jun	Fri 20 Jun	Fri 29 Aug
Mon 09 Jun	Sun 15 Jun	Fri 27 Jun	Fri 29 Aug
Mon 16 Jun	Sun 22 Jun	Fri 04 Jul	Fri 29 Aug
Mon 23 Jun	Sun 29 Jun	Fri 11 Jul	Fri 29 Aug
Mon 30 Jun	Sun 06 Jul	Fri 18 Jul	Fri 26 Sep
Mon 07 Jul	Sun 13 Jul	Fri 25 Jul	Fri 26 Sep
Mon 14 Jul	Sun 20 Jul	Fri 01 Aug	Fri 26 Sep
Mon 21 Jul	Sun 27 Jul	Fri 08 Aug	Fri 26 Sep
Mon 28 Jul	Sun 03 Aug	Fri 15 Aug	Fri 24 Oct
Mon 04 Aug	Sun 10 Aug	Fri 22 Aug	Fri 24 Oct
Mon 11 Aug	Sun 17 Aug	Fri 29 Aug	Fri 24 Oct
Mon 18 Aug	Sun 24 Aug	Fri 05 Sep	Fri 24 Oct
Mon 25 Aug	Sun 31 Aug	Fri 12 Sep	Fri 28 Nov
Mon 01 Sep	Sun 07 Sep	Fri 19 Sep	Fri 28 Nov
Mon 08 Sep	Sun 14 Sep	Fri 26 Sep	Fri 28 Nov
Mon 15 Sep	Sun 21 Sep	Fri 03 Oct	Fri 28 Nov
Mon 22 Sep	Sun 28 Sep	Fri 10 Oct	Fri 19 Dec
Mon 29 Sep	Sun 05 Oct	Fri 17 Oct	Fri 19 Dec
Mon 06 Oct	Sun 12 Oct	Fri 24 Oct	Fri 19 Dec
Mon 13 Oct	Sun 19 Oct	Fri 31 Oct	Fri 19 Dec
Mon 20 Oct	Sun 26 Oct	Fri 07 Nov	Fri 30 Jan
Mon 27 Oct	Sun 02 Nov	Fri 14 Nov	Fri 30 Jan
Mon 03 Nov	Sun 09 Nov	Fri 21 Nov	Fri 30 Jan
Mon 10 Nov	Sun 16 Nov	Fri 28 Nov	Fri 30 Jan
Mon 17 Nov	Sun 23 Nov	Fri 05 Dec	Fri 27 Feb
Mon 24 Nov	Sun 30 Nov	Fri 12 Dec	Fri 27 Feb
Mon 01 Dec	Sun 07 Dec	Fri 19 Dec	Fri 27 Feb
Mon 08 Dec	Sun 14 Dec	Fri 16 Jan	Fri 27 Feb
Mon 15 Dec	Sun 21 Dec	Fri 16 Jan	Fri 27 Mar
Mon 22 Dec	Sun 28 Dec	Fri 16 Jan	Fri 27 Mar
Mon 29 Dec	Sun 04 Jan	Fri 16 Jan	Fri 27 Mar
Mon 05 Jan	Sun 11 Jan	Fri 23 Jan	Fri 27 Mar
Mon 12 Jan	Sun 18 Jan	Fri 30 Jan	Fri 24 Apr
Mon 19 Jan	Sun 25 Jan	Fri 06 Feb	Fri 24 Apr
Mon 26 Jan	Sun 01 Feb	Fri 13 Feb	Fri 24 Apr
Mon 02 Feb	Sun 08 Feb	Fri 20 Feb	Fri 24 Apr
Mon 09 Feb	Sun 15 Feb	Fri 27 Feb	Fri 24 Apr

9. OVERPAYMENTS

- a) Where there has been an overpayment or the Grower has any liability to DGM, the Grower will pay the amount of the overpayment or liability to DGM within 14 days of written notice being given by DGM to the Grower of the amount of such overpayment or liability.

- b) In the event that any amount payable by the Grower pursuant to this clause 9 is not paid by the due date, the Grower will pay interest on the outstanding amount at the rate of 15% per annum compounding monthly, calculated from the due date for payment until payment is made in full (without prejudice to any other rights or remedies DGM may have).

10. GST

- a) GST will be applied to all avocado income proceeds as well as any and all cost deductions.

11. COMPLIANCE

- a) The Grower acknowledges that they must be part of a DGM approved GAP system applicable to the market they wish to supply:
 - i. Export – GLOBALG.A.P. v6 (Just Avocados Ltd Producer Group or Independent).

12. CONDITIONS OF MEMBERSHIP AND SANCTIONS WHERE NON-COMPLIANT

- b) Each new grower member of the Just Avocados Ltd GLOBALG.A.P. Producer Group must be inspected to the GLOBALG.A.P. Standard before the Grower can be entered on the Producer Group register as a compliant member.
- c) Thereafter existing grower members will be inspected annually, on or before the anniversary date of the previous year's inspection as a condition of remaining a compliant member of the Producer Group.
- d) A justification will be noted if, for any reason, more than 12 months elapses from the last inspection.
- e) In a Grower's first year as a Producer Group Member, no supply will be packed for export from that grower until they are a compliant Producer Group member.
- f) If, after the first year as a compliant member, corrective actions are not closed out within the timeframes specified by GLOBALG.A.P., the Grower is suspended from the Producer Group and the Grower's avocados cannot be supplied. If after a suspension has been applied and any non-compliances have not been closed out, the Grower's membership of the Producer Group will be cancelled and the certifying body notified.

SUMMARY OF NZAIL EXPORT MARKETING STRATEGY EMS REQUIREMENTS

Please note, the below explanations are stated in accordance with the NZAIL EMS current at the time of publishing this contract. All terms are subject to the EMS being updated during the season. In the event of updates, DGM and the Grower will be bound by the terms of the current EMS.

a) GROWER DETAILS

Grower details are collected through the online DGM sign up page. These details include PPIN, estimated volumes, address, phone, email and banking details.

b) EXPORTER RESPONSIBILITIES

These are detailed in the Supply Agreement. DGM, through its marketer DGM, acts as the agent for the Grower and use its best endeavours to market the export avocado crop to best advantage in the various markets where avocados are consigned throughout the season.

c) ACCEPTANCE OF AND TITLE TO FRUIT

Title (ownership) to the avocados will pass to DGM once the avocados have been packed into a DGM specified package by a DGM approved and NZAIL registered packhouse in accordance with Export Grade Standards.

d) CALCULATION AND ARRANGEMENT FOR PAYMENT TO THE GROWER

Both of these are detailed in the Pool Policy and Pool Rules section of this Agreement.

e) MARKET ACCESS AND RESIDUE TESTING

Different markets have different access requirements for withholding periods for agrichemicals used on avocados. Growers should be familiar with the requirements of the export spray programme and the minimum quality standards required by NZAIL under the EMS and the NZAIL Quality Manual.

Growers must adhere to the withholding periods following pre-harvest insecticide applications. This is to ensure that the avocados exported meet all importing countries MRL requirements. Where an MRL has not been specified by a country for a particular chemical(s) then the relevant New Zealand MRL will apply for that chemical. In these circumstances, it is the responsibility of the exporter to be aware of the requirements of both the importing country and the importer.

f) NZAIL EXPORT MARKETING STRATEGY (EMS)

If the Grower wishes to export their avocados, they must also be registered with NZAIL and comply with the EMS.

This proposal has been prepared based on the current NZAIL EMS and is binding subject to approval of its form and content by NZAIL. If for any reason there are changes made to the EMS, then DGM and the Grower shall be bound by the new EMS and any extra costs arising from the changes to the EMS shall be paid by the Grower. Where this Agreement is in conflict with the EMS, then the terms and conditions of the EMS will prevail.

g) FOOD SAFETY

Responsibility for avocados and their quality and food safety remains with the Grower at all times. The Grower is required to be compliant with the food safety requirements of NZAIL in particular, the Food Safety Programme which forms part of the NZAIL Quality Manual for both export and domestic avocados.

For the supply of the retail customers, the Grower will need to be GLOBALG.A.P. compliant or compliant with a similarly recognised programme.

h) AVOGREEN®

If the Grower wishes to have any of their avocados exported for the 2025-2026 season, the Grower must comply with this requirement.

i) LEVIES

Grower levies and fees proposed by N.Z. Avocado Growers Association Incorporated (NZAGA) and NZAIL, including the management fees payable under the EMS (refer to Onshore Costs in the Pool Policy and Pool Rules), will be deducted and paid to NZAIL from the avocados' proceeds. Such fees are in addition to packing charges.

j) INSURANCE

DGM will arrange insurance for the avocados as provided for in the Supply Agreement. For the avoidance of doubt, DGM does not insure the avocados against, and is not responsible for, any loss incurred as a result of the Grower failing to comply with its responsibilities and obligations as set out in this Agreement.

k) COMMUNICATION TO GROWERS

Regular market updates, including newsletters, will be sent to Growers by way of email. Where practical, grower communication meetings will be held in person.



*Let's work
together*

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