

Grower Programs 2018



INDEX FRESH[®]
CALIFORNIA GROWN AVOCADOS

Investing in
CALIFORNIA GROWERS
since 1914

MISSION

"To consistently provide superior service and returns to our growers and global partners by being an exceptional supplier of premium fresh avocados to valued customers."

STRATEGIES

Provide excellent service for customers and growers.

Deliver safe, high quality products.

Provide superior returns for growers and trading partners.

Aggressively build and market the Index Fresh and AvoTerra brands.

Operate strong communication and education platforms for our growers.

Maintain state of the art packing and marketing infrastructure.

VISION

"To be an industry leader as a packer, shipper and premium marketer of avocados domestically and internationally, and recognized by growers as the preferred avocado marketer."

STRATEGIES

Work as a team to build unparalleled competence.

Grow Index Fresh's market share to 12% over the next 10 years.

Commit to preserve the California premium.

Nourish a growth oriented culture for employees.

Grow shareholder value through long term sustainable growth.

VALUES

To achieve our Mission and Vision, we:

Embrace integrity and honesty.

Take responsibility for our actions, individually and as a company.

Respect our customers, growers, suppliers and each other.

Strive to develop innovative products, systems and relationships.

Cultivate a dynamic and safe workplace for employees.

Communicate openly and transparently.



PRESIDENT'S Message

Dear Avocado Grower:

As we approach the 2018 California avocado season, I would like to take the opportunity to outline the services and programs that Index Fresh is offering to California Growers:

1. A Field Staff that is dedicated to providing growers with both excellent "nuts and bolts" field service and the best market information. This market information allows for strong short-term harvest decisions and seasonal harvest planning.
2. A proven track record of providing superior grower returns.
3. Strong conventional, organic and export marketing programs.
4. Two volume rebate programs triggered by either total volume or daily lot size.
5. A GAP rebate program that has been enriched for the 2018 season.
6. An Index Fresh Field Food Safety Coordinator to help you through the process of GFSI GAP food safety certification.
7. Hauling credits for growers who choose to arrange delivery of their own fruit.
8. The daily "Fresh Facts" that provides comprehensive market information. The Fresh Facts is available via email, on Index's website and through our smart phone app.
9. Online packouts, grade reports and pool statements.
10. Horticultural seminars that address the challenges and intricacies of avocado growing.
11. Marketing seminars that outline the important market forces that will impact the 2018 season allowing for clearer identification of the opportunities and challenges ahead.
12. The quarterly "Index Insider" newsletter dealing with cultural, marketing and supply issues.

Detailed information regarding the above programs is provided in this booklet.

Please feel free to contact me or our Field Staff if you have questions about our grower programs or Index's business practices and philosophy.

Best regards,

A stylized signature in black ink, appearing to be 'D. Thomas'.

Dana L. Thomas
President
909.877.9212



WELCOME TO *Index Fresh, Inc.*

Since 1914, **Index Fresh** has been working with farmers in Southern California to help maximize the value of the fruit that you work so hard to produce. Farmers today face challenges inherent in running any business, along with the increased demands from Mother Nature. For that reason, it is important to choose a marketing partner with a proven record of commitment, service, and performance in order to reap the rewards of your hard work.



COMMITMENT

Index Fresh is committed to helping growers succeed in today's competitive environment. Whether we are investing in new bins, inviting speakers to our cutting-edge grower seminars, distributing cultural DVD's to our growers, or providing detailed presentations on the competitive situations with imported fruit, no packer provides more information to their growers than **Index Fresh**. Our commitment to California agriculture is nowhere more evident than in the investment that we continue to make in our Field Team.

SERVICE

Index Fresh has receiving yards throughout the growing districts from San Luis Obispo to Temecula. Our team of Field Representatives are working with growers throughout the year, not just "phoning it in" during the harvest season. In the fall, they work with growers to collect leaf samples which help growers determine their fertilizer requirements for the upcoming season. In the winter, they are busy working with growers on crop estimates and harvest strategies. In addition, **Index Fresh** remains the only packer with the transparency that growers should look for in a marketing partner; packing charges that are published and fixed, volume rebates made known to all growers, and the first GAP rebates offered in the industry.

PERFORMANCE

Index Fresh has a proven track record of consistent marketing performance. Our value-added programs of regional ripening, export, and custom packaging, coupled with a modern and efficient packing facility allow us to outperform the competition year after year. This assertion has been proven time and again through our history of providing superior grower returns.

We hope that you enjoy this packet. It seeks to further explain a little more about our philosophy, work ethic, and history. If you are looking for a packer with commitment, service, and performance you have come to the right place.

INDEX FRESH®



Making HISTORY

100 YEARS OF PACKING

PLANTING THE SEEDS

Over 100 years ago, Index Fresh opened as a citrus packing house in Southern California. We were among the first grower-owned distributors in Orange County, CA. In 1914, we operated under the name Index Orchards. Business boomed and 15 years later, we became a cooperative and renamed ourselves Index Mutual Association.

A NEW HARVEST

By 1940, we acquired our sister cooperative, the United Growers Association, and decided to branch out and try our hand at avocado distribution. Avocados quickly replaced our production of lemons and oranges during the '60s and '70s. As much as we loved the La Habra Valley, in 1989, Index Fresh moved its headquarters to the town of Bloomington, CA. where we designed and built a state-of-the-art packing and cooling facility.

GROWTH CYCLE

Throughout the early '90s, the popularity of avocados increased and consumers demanded them year-round. We expanded our product line to include Chilean avocados and changed our name again to Index Fresh of California. In 1999, we converted our business from a cooperative back to a grower-owned corporation and returned to our roots as Index Fresh, Inc.

TODAY

Today, Index Fresh is a worldwide marketer of avocados, sourcing from all major growing regions world-wide, including California, Mexico, Peru, and Chile. Through its dedication to quality, consistency, and innovation, Index Fresh continues to be a leader in the industry. Over the years, the company has earned its reputation for quality and integrity with an unwavering commitment to honesty, hard work, and providing outstanding results to their partners – growers and customers alike. With headquarters in California, the company has facilities spread across Texas, Pennsylvania, Iowa, Ohio, Colorado, and Illinois.



G.R.O.W.E.R.S.

Growth Oriented
Continued investment in staff, infrastructure, boom trucks, bins, packing house

Return Focused
A proven history of superior grower returns
GAP incentive
HAB fees not assessed on exports
Volume Rebate
Haul Credit

Outreach Education
Cultural seminars
Annual marketing meetings with real information
Quarterly newsletters

Winning Strategies
Sustained Export Programs
Value added bagging and ripening
California double sticker
Foodservice and program business

Equitable and Transparent
Never wonder if your neighbor is being paid more than you

Regional Presence
Year-round on-the-ground presence
Receiving yards in Bloomington, Arroyo Grande, Carpinteria, Oxnard, and Temecula
Soil and leaf analysis
Industry leadership

Solid, Steady, Sustainable
Board of Directors made up entirely of Avocado Growers
100 years of dedication to California Growers
Industry leading credit rating as defined by the produce Blue Book





Incentives *and* Programs

The Grower Incentive Programs have been designed to reward growers for both volume and for efficiencies that help reduce cost at the field, packing and accounting levels.

Traditional **VOLUME INCENTIVE** Plan

The **Volume Incentive Plan** is a tiered program that rewards Growers for reaching various harvest goals.

The first tier of the incentive is triggered at 250,000-pounds and rewards Growers with \$0.01 per pound for the first 500,000 pounds.

The second tier of the incentive is paid at \$0.015 per pound and is for pounds 500,000 through 1,000,000.

The third tier of the volume incentive rewards Growers with \$0.02 per pound for all fruit delivered over 1,000,000 pounds.

After the 250,000 pound threshold is reached the following formula applies:

1 - 500,000 Lbs. = \$0.010/Lbs.

500,001 - 1,000,000 Lbs. = \$0.015/Lbs.

1,000,001 Lbs. + = \$0.020/Lbs.

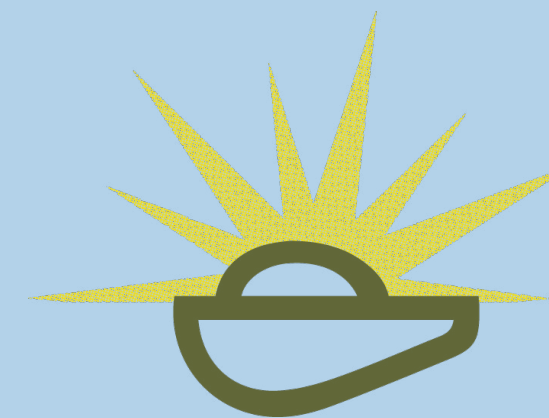
Example: Grower delivers 1,500,000 Lbs.

500,000 X \$0.010 = \$5,000

500,000 X \$0.015 = \$7,500

500,000 X \$0.020 = \$10,000

Grower's total payment = \$22,500 or \$22,500/1,500,000 = \$0.015/Lbs.



*Growers who qualify for the Volume Incentive Plan do not qualify for the Large Lot Incentive. Incentive paid at the end of fiscal year for marketable fruit.

LARGE LOT Incentive Plan



The **Large Lot Incentive Plan** is a program that rewards Growers for providing efficiencies associated with hauling, packing and paperwork. The incentive is triggered by Growers that harvest daily large lot quantities and reward Growers with \$0.01 per pound on all qualified field tickets.

Quantities:
12 Avocado Bins OR **10 Citrus Bins**

Rate:
\$0.01 per pound

*Growers who qualify for the Large Lot Incentive Plan do not qualify for the Volume Incentive Plan. Incentive paid at the end of fiscal year for marketable fruit.



The **GAP Incentive Plan** is a program that rewards Growers for helping Index Fresh support retail and foodservice customers by providing certified fruit. The incentive is paid for fruit certified under a GFSI module (such as Primus GFS or Global GAP).

In addition to the incentive, Index Fresh's in-house Field Food Safety Coordinator offers Growers personal assistance in meeting their GAP audit goals.

Rate:
\$0.01 per pound

*Fruit harvested prior to certification does not qualify for incentive. Incentive is paid at the end of the fiscal year for marketable fruit.

G.A.P. Incentive Plan



HAULING Credits

Index Fresh offers a **Hauling Credit** to all Growers that elect to deliver their harvest directly to one of our receiving yards. Index Fresh will pay \$0.02 cents per pound for delivered fruit. The hauling credit is paid as a line item with our weekly grower pool payments. We have convenient locations in all growing regions.



All Locations:
 Bloomington, Temecula, Oxnard,
 Arroyo Grande, Carpinteria

Rate:
 \$0.02 per pound



Arroyo Grande
 2080 Los Berros Road
 Arroyo Grande, CA 93420

Oxnard/ Ventura
 162 Montgomery Ave.
 Oxnard, CA 93036

Carpinteria-CMT
 6339 Casitas Pass Road
 Carpinteria, CA 93013

Bloomington
 18184 Slover Ave.
 Bloomington, CA 92316

Temecula
 28061 Diaz Road
 Temecula, CA 92590



Cultural *and* Marketing Info.



Index Fresh is committed to providing Growers with up-to-date, accurate and actionable information.

SEMINARS & Marketing

SEMINAR SERIES

Ongoing cultural seminar series on critical avocado topics, with over 18 seminars currently available on our website and on DVD.

PAST TOPICS:

2011

- Seminar 1 - Grove Irrigation
- Seminar 2 - Fertilization & Mulching
- Seminar 3 - Pollination

2012

- Seminar 4 - Pruning
- Seminar 5 - Pests, Diseases & Rootstocks
- Seminar 6 - Salinity & Polyphagous Shot Hole Borer

2013

- Seminar 7 - Managing a Large Avocado Crop
- Seminar 8 - Using Phosphorous Acid for the Control of Phytophthora
- Seminar 9 - Reading Your Trees

2014

- Seminar 10 - Farm Labor Outlook
- Seminar 11 - Mobile Irrigation Labs
- Seminar 12 - Avocado Research

2015

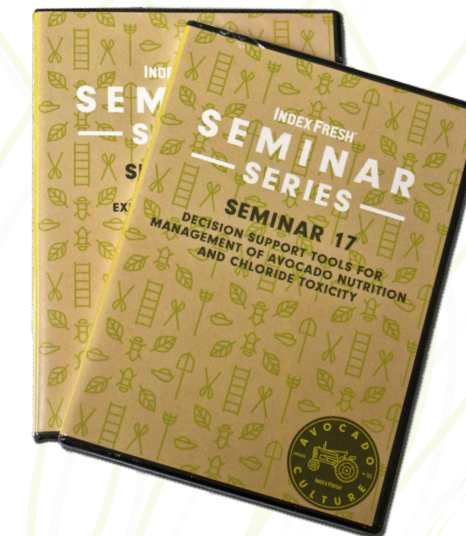
- Seminar 13 - Polyphagous Shot Hole Borer
- Seminar 14 - California Water Issues

2016

- Seminar 15 - Orchard Rejuvenation
- Seminar 16 - Girdling and Global Market Gap Requirements

2017

- Seminar 17 - Decision Support Tools for Management of Avocado Nutrition and Chloride Toxicity
- Seminar 18 - Management of High Density Orchards and Avocado Varieties



MARKETING MEETING

Index Fresh has invested years in building the relationships to ensure that we have strong business to sell the "whole tree". It's not enough to have one or two great customers for one or two sizes. We work hard to make sure that we have great customers for every size and grade that your trees produce.

At the beginning of every season, Index Fresh meets with growers across the state and hosts a preseason marketing meeting. We take a close look with our growers at the anticipated market conditions for the upcoming season, including:

- Volumes by country of origin
- Expected weekly flow of fruit for the year
- Food-service and retail marketing programs by size
- Export opportunities
- Harvest recommendations

Our seasoned team works hard to ensure that California avocados are marketed to achieve the premium they deserve. Talk with your fieldman at the beginning of the year for details on the preseason marketing meeting closest to you.

E-SERVICES

NEW APP AND WEBSITE FOR GROWERS



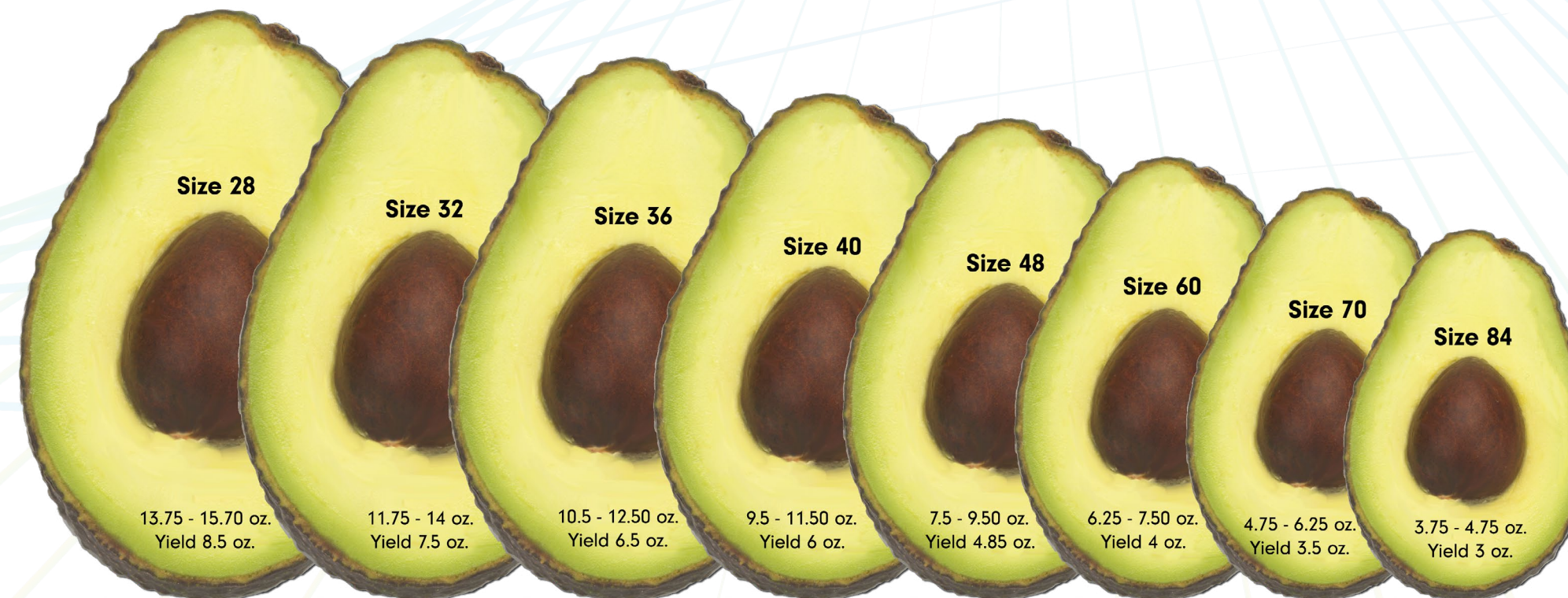
Access the **FRESH FACTS** daily report as well as industry information at your fingertips with your smart phone or tablet. Download the NEW "Fresh Facts By Index Fresh" app in the Apple store or Google Play Network.



In addition to the app, the daily Fresh Facts is also available via our website, IndexFresh.com. On our site, Growers can access the ongoing cultural seminar series and quarterly newsletters. Most importantly, we provide Growers with a password protected site to access their packouts, grading reports, statements, and year-to-date reports.

AVOCADO Sizing

Below are the weight requirements by size as determined by the California Department of Food and Agriculture.



CALIFORNIA Packaging

Our new California look



Organic PROGRAMS

ORGANIC SUPPLY

Demand for organic avocados continues to outpace the current supply. Representing less than 10% of California avocados, and only 2% of the offshore avocados, organics present a marketing opportunity for the California avocado grower.

ORGANIC STRATEGY

Index Fresh is expanding the regional and nation-wide retail avocado category by offering organic California avocados. Through the cultivation of year-round organic retail programs with premier customers, Index Fresh is positioned to capture the high returns offered by the market.

ORGANIC CERTIFIED

Index Fresh provides clearly marked bins for organic fruit, packs the avocados in our certified packinghouse and markets the fruit in the Index Fresh Organic carton with its unique PLU sticker. Index Fresh is expanding our organic bagging program with major retailers.





The seasoned Index Fresh Field Staff is ready to assist Growers with a wide range of services, including market updates, crop estimating, and GAP Audit preparation. The Field Team works closely with Growers to provide them with the tools and information needed to make the best harvest decisions in addition to coordinating the logistics of the harvest.

MARKET UPDATES

Market updates are provided to Growers in various forms on an ongoing basis. Index Fresh issues a daily Fresh Facts market report (available via email, the Index Fresh website and the Fresh Facts app), a quarterly newsletter, regular email market synopsis, as well as a regional pre-season marketing meeting. In addition, your Field Representative is always available for regular one-on-one support.

HARVEST COORDINATION

In advance of your harvest, your Index Fresh Representative will handle the logistics of coordinating the empty bin delivery. In addition to then scheduling the pickup of your daily harvest, your Field Representative provides ongoing market updates, post-harvest communication and field visits. Our goal is to then pack your fruit within 24-hours so that we can provide timely online account pack out and grading reports. Index Fresh also offers a direct deposit service for your convenience.

GAP ASSISTANCE

Your Index Fresh Field Representative and Food Safety Coordinator are here to provide assistance throughout the GAP process. Beginning with a self-audit assessment and GAP manual preparation the Index Fresh team will walk Growers through the steps. You can count on us to help answer your questions and to be a reliable resource as you navigate through the GAP certification process. During the audit, the Index Fresh team will continue to provide the support needed for Growers to achieve their food safety certification goals.

CULTURAL INFORMATION

The Index Fresh Staff continues to support California avocado Growers through our educational and cultural information platforms. We work with the grower community to identify issues and topics related to avocado cultivation. The ongoing cultural seminar series and the quarterly newsletters are two programs that we utilize to provide the most up-to-date, accurate and actionable information. On a regular basis, the Index Fresh Field Staff also coordinates and organizes tours of orchards and avocado nurseries. These tours are intended to help growers increase production by sharing information on cultural practices.

YEAR-ROUND FIELD SERVICE

Our service does not end there. In the fall, the Index Fresh Field Staff begins their crop estimates and continue to update them throughout the winter. Also in the Fall, they provide assistance in taking both leaf and soil samples*. Prior to the Hass, Gem and Lamb Hass release dates, Growers can depend on their Field Representative to take fruit samples in to the local CDFA Avocado Inspection office for dry matter testing.

We believe that if we can help Growers improve productivity,
it's a win for the Grower,
it's a win for the California Avocado industry,
it's a win for Index Fresh.



*Your Field Representative can take leaf and soil samples, at your request, to the lab of your choosing. All lab work will be billed directly to the Grower.



Facebook.com/IndexFresh



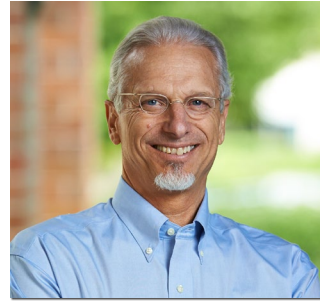
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linkedin.com/company/Index-Fresh-inc

Our TEAM

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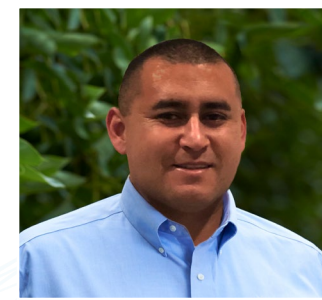
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Ventura

Board of Directors



From left to right: Alden Broome of Ventura, Rick Shade of Carpinteria, Rob Brokaw of Santa Paula, Roger Essick of Ojai, Chairman: John Grether of Somis, Richard Pidduck of Santa Paula, Vice Chairman: Stephen T.B. Miller of Santa Barbara, Robert Grether of Somis, Secretary: John Orr of Ventura

INDEX FRESH[®]

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APP: FreshFacts By Index Fresh

