

LOGAN FARM PTY LTD

APC ACTION PLAN

March 31, 2011 - September 30, 2014



Introduction

Since 1984, Logan Farm has been supplying Australia with high quality Frozen Vegetable products. In 1997, Logan Farm became a wholly-owned subsidiary of Talley's Group Limited, a privately-owned New Zealand multi-division company with interests in fishing and seafood; vegetable growing and processing; milk, ice cream and cheese; beef and lamb; and hospitality and tourism.

The Logan Farm head office is based in Southport, Queensland and distributes frozen vegetables and seafood products to the retail, foodservice and industrial channels under the Logan Farm and Talley's brand names throughout Australia. Being owned by a primary producer, our mission is to provide nutritious, natural food using environmentally sustainable practices. The Talley's group employs over 1000 people in New Zealand growing and producing these foods, while there are 20 people in management, sales, distribution and administration employed at Logan Farm. Logan Farm is in the \$50-\$75m packaging-related turnover bracket.

Logan Farm does not manufacture, process or pack any products. All products are purchased fully assembled and packaged from external companies. This can limit our ability to determine and influence what type of packaging is used, however we still believe we can implement strategic packaging guidelines into our policies and procedures and influence our packaging suppliers in line with covenant objectives.

The Action Plan covers a three and a half year period, from March 31 2011 to September 30 2014, to come in line with our financial year.

As the Director of Logan Farm, I have taken responsibility for overseeing and implementing the plan throughout the organisation, and am also the Covenant contact officer.



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Action Plan KPI Summary Table

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline Data	Target	Timeline Milestones
<i>Goal 1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety.</i>					
KPI 1 Implementation of the SPG for design or procurement of packaging.	Quantify annual usage of packaging type	Derek Delany	Partially Completed	Quantify current usage by packaging type	August 31, 2011
	Determine packaging efficiency of each SKU	Derek Delany	Partially Completed	Identify inefficient SKUs	August 31, 2011
<i>Goal 2. Recycling - the efficient collection and recycling of packaging.</i>					
KPI 2 Implement an on-site recovery system.	Develop an office paper waste recycle system	Derek Delany	Completed	All staff provided with separate paper bins and a bulk paper bin installed	March 31, 2011
KPI 3 Develop a "buy recycled packaging" policy.	To develop a set of company policies	Derek Delany	Not Yet Begun	Communicate preference for recycled packaging	September 31, 2011
<i>Goal 3. Product Stewardship - demonstrate commitment to product stewardship throughout the supply chain.</i>					
KPI 4 Develop formal processes for working with others to improve design and recycling of packaging.	Develop a supplier questionnaire	Derek Delany	Not Yet Begun	Allow identification of design efficiencies and improvements	September 31, 2011
	To receive back completed supplier questionnaires	Derek Delany	Not Yet Begun	Obtain supplier packaging information	December 31, 2011
	Analyse supplier questionnaires	Derek Delany	Not Yet Begun	Identify opportunities for increasing use of recycled packaging	March 31, 2012
KPI 5 Demonstrate other product stewardship outcomes.	To develop an annual update and review system of packaging usage	Derek Delany	Not Yet Begun	Maintain focus and update information on packaging usage	December 31, 2011
KPI 6 Reduction in the number of packaging items in litter.	Analyse cost and effectiveness of "litter" icon on packaging	Derek Delany	Not Yet Begun	Determine if "litter" icon on packaging will achieve KPI	September 31, 2011

Framework

To be able to adopt the three APC performance goals we firstly needed to establish a framework to identify where we currently are and where we would like to be. With the help of the APC handbook and information seminars, we decided that the framework below was best suited to our business.

- 1) Determine current packaging use in line with covenant guidelines
- 2) Develop supplier questionnaires to meet covenant goals
- 3) Have supplier questionnaires completed
- 4) Analyse supplier questionnaires
- 5) Develop internal and external packaging policies
- 6) Annual review and update of packaging use and supplier questionnaires

The goal of the action plan is to turn this framework into an actionable, measurable and accountable document that will shape all our decisions and actions that involve packaging.

1) Determine Current Packaging Use

Action Plans:

- 1.1 To determine the optimum way of reviewing Logan Farm's packaging system by March 31 2011.
- 1.2 To review Logan Farm's packaging use by August 31 2011 to identify opportunities for design improvement.

Results:

- 1.1 Logan Farm's product range is less than 50 individual SKUs across three packaging types:
 - LDPE bags
 - Polypropylene pots
 - Cardboard Spinach boxes.

All products are packed in cardboard outer cartons which are taped closed and then shrinkwrapped on pallets when distributed to customers.

Because of the relative simplicity of product range and packaging types, it was decided to review packaging by individual product.

- 1.2 The Design performance goal is to optimise packaging to achieve resource efficiency and reduced environmental impact without compromising product quality and safety. To do this we firstly needed to quantify our annual usage of each packaging type, the gauge of each packaging type, whether it consisted of recycled materials, whether it could be recycled and whether there were alternatives. At this time the table below is a work in progress and is due to be completed by August 31 2011.

<u>Packaging Type</u>	<u>Tonnes PA</u>	<u>Gauge</u>	<u>Recycled</u>	<u>Recyclable</u>	<u>Alternatives</u>
LDPE bags	236.9	55 micron	No	No	
Polypropylene Pots/Lids	32.5		No	Yes	
Cardboard Cartons	937.7	200gsm	Yes	Yes	
Carton Tape	11			No	
Pallet Shrinkwrap				Yes	

Spinach Boxes	64.9			No	
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To determine efficiency, we decided to analyse the dimensions of each SKU, its carton and its pallet configuration. Efficiency here would mean less packaging used and greater pallet utilisation for less resources required to transport. The table below is also due for completion by August 31 2011.

<u>Products</u>	<u>Pack Size</u>	<u>Ctn Size</u>	<u>Pallet Use %</u>
Mar. Mussels 8x375g	9.1x10	40.5x20.5x11	<80
Talley's FIAB 5x750g	37.5x25	25x23x15	80-90
TA FIAB 12x1kg	37x27	37.8x28.3x25	90-95
LF Spinach Box 12x250g	12.7x10.2x3.5	30x13.2x17.5	
LF Spinach Box 36x250g	12.7x10.2x3.5	30.3x26.9x27	90-95
MF Broccoli 12x500g	26x25	40x32x17.5	80-90
Spinach 12x500g	24.5x24	37.8x28x13.7	90-95
Spinach 12x750g	14.9x24	30.3x26.9x27	90-95
Fries 12x1kg	33x30.7	47.3x33.1x16.5	90-95
Corn Cobs 12x600g	24.5x25.1	37.8x28x19.5	90-95
Corn Cobs 12x700g	24.5x28	37.8x28x19.5	90-95
Corn Cobs 12x1kg	28.5x32	37.8x28x24.5	90-95
Corn Kernels 12x500g	23.2x21	37.8x28x11.4	90-95
Corn Kernels 12x600g		37.8x28x13.7	90-95
Corn Kernels 12x1kg	28.5x23	37.8x28x19.5	90-95
Corn Kernels 15x1kg	28.5x23	37.8x28x24.3	90-95
Peas 12x500g	23.2x21	37.8x28x11.4	90-95
Peas 16x500g	23.2x21	37.8x28x14.5	90-95
Peas 12x1kg	28.5x23	37.8x28x19.5	90-95
Peas 15x1kg	28.5x23	37.8x28x24.3	90-95
Peas 8x1.6kg	30.5x28	37.8x28x22.2	90-95
Beans 12x500g	24.5x21.5	37.8x28x11.4	90-95
Beans 12x1kg	24.5x29.5	37.8x28x22	90-95
Beans 8x1.5kg		37.8x28x23.2	90-95
Broad Beans 12x500g	24.5x21.5	37.8x28x11.4	90-95
P/C/C 12x500g	23.2x21	37.8x28x11.4	90-95
ASF 12x500g	24.5x23	37.8x28x13.7	90-95
Premium Mix 12x500g	24.5x23	37.8x28x13.7	90-95
Winter Mix 12x500g	24.5x23	37.8x28x13.7	90-95
P/C/C 15x1kg	28.5x23	37.8x28x24.3	90-95
Mixed Veg 15x1kg	28.5x31.9	37.8x28x26.1	90-95
Winter Mix 12x1kg	28.5x27	37.8x28x25	90-95
Spinach 5x2kg		27x27x.39.5	80-90
Fries 3x5kg	42x25.2	48.8x31.2x20.5	80-90
Fries 8x2kg	42x38	52.4x30.8x21.5	90-95
Potato 6x2kg	42x38	39x29x24.3	80-90
Corn Cobs 6x2kg		37.8x28x26.1	90-95
Corn Kernels 6x2kg	28.5x36.7	37.8x28x21.5	90-95
Corn Kernels 8x2kg	28.5x36.7		

Corn Kernels 10kg			
<u>Products</u>	<u>Pack Size</u>	<u>Ctn Size</u>	<u>Pallet Use %</u>
Peas 6x2kg	28.5x36.7	37.8x28x21.5	90-95
Peas 8x2kg	28.5x36.7		
Peas 10kg			
Beans 6x2kg		37.8x28x24.5	90-95
Beans 10kg			
Baby Beans 6x2kg		37.8x28x26	90-95
Baby Beans 10kg			
Carrots Diced 6x2kg	28.5x36.7	37.8x28x21.5	90-95
Carrots Diced 8x2kg	28.5x36.7		
Carrots Diced 10kg			
Carrots Baby 6x2kg		37.8x28x26	90-95
Carrots Julienne 6x2kg		37.8x28x26	90-95
P/C/C 6x2kg	28.5x36.7	37.8x28x21.5	90-95
P/C/C 8x2kg	28.5x36.7		

2) Develop Supplier Questionnaire

Action Plans:

2.1 To develop a packaging supplier questionnaire by September 31 2011 that will identify design efficiencies and improvements.

Results:

2.1 The supplier questionnaire will be displayed here once finalised.
To date, the following questions are planned to be included:-

Are recycled materials used?

Can recycled or more recycled materials be used?

Is packaging recyclable?

Can guage be reduced?

Can packaging size be reduced?

How does LF packaging compare to market leaders?

Are alternative materials available?

Do you have any suggestions to reduce packaging use?

5) Develop Internal And External Packaging Policies

Action Plans:

- 5.1 To develop a set of company policies that will reflect the Recycling Performance Goal of the packaging covenant by September 31 2011.

Results:

- 5.1 The company policies will be displayed here once completed. To date we are working on five policies.
 - 5.11 It is Logan Farm's policy to optimise packaging to achieve resource efficiency and reduced environmental impact without compromising product quality, safety and cost through maximising the use of recycled and recyclability content, minimising packaging guage and size, and matching the packaging elements of the market leaders.
 - 5.12 It is Logan Farm's policy to encourage the recycling of packaging by including the mobius loop on appropriate packaging.
 - 5.13 It is Logan Farm's policy to encourage the proper disposal of non-recyclable packaging by including non-littering logos on appropriate packaging.
 - 5.14 It is Logan Farm's policy to purchase, wherever possible, office materiels and supplies that use recycled materials and are recyclable without compromising functionality and cost. This policy is to be communicated to all staff.
 - 5.15 It is Logan Farm's policy to fund, implement, maintain and encourage the use of an office paper recycling system. This policy is to be communicated to all staff.

6) Annual Review And Update Of Packaging Use And Supplier Questionnaires

Action Plans:

- 6.1 To develop an annual update and review system of packaging usage by December 31 2011.
- 6.2 To develop an annual update and review system of packaging usage and supplier questionnaire responses by December 31 2012.
- 6.3 To develop an annual update and review system of packaging usage and supplier questionnaire responses by December 31 2013.

Results:

- 6.1 Results to be shown here.
- 6.2 Results to be shown here.
- 6.3 Results to be shown here.