

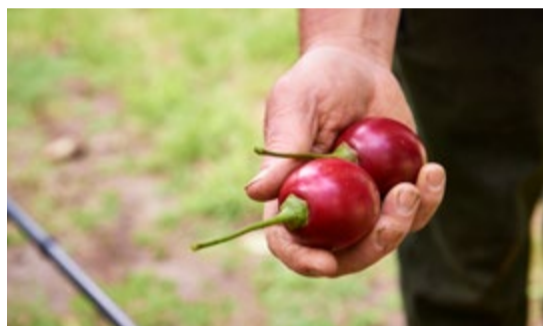
# SUPPLYLINE



NEWS FROM MG MARKETING

## GROWER PROFILE. BAY OF PLENTY TAMARILLOS LTD

Success the Good Ol' Old-fashioned Way... When you listen to Jared and Elaine Rippey's back story, you could be forgiven for thinking they were a product of the '40s when there was one simple road to success – sheer hard work and a preparedness to make sacrifices in the name of the end goal.



MG's Brett Reid, Elaine & Jared Rippey



Jared & Elaine Rippey

What began as something of an experiment seven years ago, is today one of the largest tamarillo growing operations in the country. Bay of Plenty Tamarillos Ltd is renowned for the quality of its produce – ruby red with bright green stalks and a vibrant orange juicy flesh – and are arguably growers of the most sought-after tamarillos by many players in the industry.

The first chapter of this story begins with a run-down cottage with little to no insulation, an outdoor make-shift kitchen, a long drop and a black hose pipe that doubled as a shower, endearingly nestled on a 6ha block planted in young kiwifruit vines. Hardly the vision you associate with life in a first world country, but it was reality for Jared and Elaine for four years as they toiled tirelessly through long nights, weekends and bitter winters, all while working their day jobs to fund the establishment of a tamarillo orchard. They invested in a pack-house for the business, and Jared – a builder by trade – installed a kitchen/lounge wing so that they could add a few extra home comforts to life as they knew it. A product of Generation Y, the pair are a modern-day poster couple for an old school

work ethic that has never lost its salience. Jared readily acknowledges the challenges that come with growing tamarillos – from the unpredictability of the weather patterns through to the challenges of managing an infestation of insects and pests that not only damage the fruit but have the potential to eradicate the vines – but says that the rewards in terms of the satisfaction that comes with producing a first-class and niche product are enormous.

“There’s also very little opportunity to default to the efficiencies of machinery in this business. It’s a high labour intense crop that requires the utmost care in harvesting. You have no option but to pick by hand and then delicately pack the fruit as quickly and efficiently as possible to get it off to market, so that it reaches the consumer in its optimum visual and eating condition.”

“We place huge emphasis on quality control,” says Elaine. “Enormous effort goes into training our staff, so they know the standards we adhere to. So, when we send fruit off to the market it’s like sending little red ambassadors for the way we do things here.”

The couple harvest for approximately six

months of the year, employing up to eight full-time workers over the harvest period. 2018 saw their picking season run from May through to November, with a total harvest in excess of eighty tonne of tamarillos; six tonne of which was exported to the east coast of the United States of America to ease pressure on the local market in July.

Elaine is from Ireland, and the two met when Jared was over there on a working holiday. When the couple returned to New Zealand they were unsure whether they would stay or go back to Ireland. Both were born and raised on dairy farms and struggled settling into an urban lifestyle here. Jared had previous experience assisting his parents on their passion fruit and tamarillo orchard in Athenre. Together they had a vision and the passion to succeed in their own venture. With grit, determination and through trial and error, they really have created something to be proud of.

“MG Marketing has also played a role in supporting this young couple succeed.

“They’ve (MG) made it very easy to ask for help. They’ve been nothing but honest and transparent”, says Elaine, “and we have

developed a trusting relationship that runs from the very top through to the guys on the market floor.”

The couple have recently purchased a neighbouring 7.6ha macadamia, walnut and avocado orchard. Already they’ve dispensed with the nut trees in favour of further tamarillo plantings, which will start producing fruit in 2020. And the added benefit is the new block comes with a house!

“We’ve put everything we’ve had into making a success of this”, says Jared. “It’s been a means to an end ... the big picture has always been in sight and we wouldn’t have it any other way. It’s a no-brainer.”



80 tonne harvested last season

**COMPANY PROFILE.**

# RELATIONSHIP BUILDING IS KEY



## Wayne O'Halloran

Marketing Rep, Wellington

Wayne O'Halloran walked away from a comfortable and secure 9-5 job 24 years ago in search of 'something more of a challenge,' only to find himself on the market floor of MG! Today, he is widely regarded as one of the Co-operative's most successful marketing reps, responsible for hot house, subtropical and melon categories within the Wellington region.

Central to Wayne's success, is the effort he places on building strong relationships through the supply chain. To that end, he actively drives procurement activity that not only delivers against his customers' requirements but provides a level of confidence and certainty amongst the growers he deals with on a personal basis.

"When you're dealing with people's livelihoods, in my book, there's only room for absolute honesty and a willingness to work together to achieve optimal results for both grower and customer."

## Ben Ross

Branch Manager, Wellington

Jade Reeves left some big shoes to fill when he moved from his role as manager of MG's Wellington Branch to that of Imports Manager, but it seems that Ben Ross has taken up the baton with great aplomb.

At 26 years of age, Ben is the youngest ever MG branch manager. He attributes his rapid rise through the company to the mentoring and investment in training and personal development that MG has provided since the day he walked through the doors as a 17-year old to take up a position as part-time store-man, in Christchurch.



"The job was always meant to be just (a means to) a little bit of money. MG saw something in me that I didn't see in myself. They invested in me through training and it didn't take long before I was addicted to the industry."

Ben believes it is critical to remain in touch with what is happening in all aspects of the business in order to perform as branch manager. To that end, he keeps his hand in sales, making sure he is across both the growers and customers. He is also very involved in the warehouse operation daily.

"You need to get out and meet the growers on their turf if you're really going to understand the world through their lens and know how to do the best by them. Similarly, you need to look at things from the customer's perspective, too, and then drive to find that balance that will ensure all parties remain sustainable."

## Brett Reid

National Procurement Manager

MG's Brett Reid - National Procurement Manager - has built a successful reputation for himself as he clocks up over 30 years in the produce industry, although he will be reluctant to tell you so. He would rather talk about the success and challenges of the growers he deals with on a daily basis, or some new thinking around improving their profitability, or ways to even out those waves of market variance to ensure long-term sustainability; or how he might be able to introduce you to someone in the industry who can help.

But, at the end of the day, they are the hallmarks of someone who truly believes in the value of partnership founded on clear goals and a willingness to ride the good times with the bad - together.

Brett's career within the industry began on the retail and wholesale side of the business,

assuming various roles within K Market, the then largest fresh produce company in New Zealand; the wholesale arm of which MG subsequently purchased. Then, after a three-year tenure with MG in a wholesale role, Brett broadened his understanding of the industry further by taking up a role as produce buyer for Foodstuffs Waikato for four years before 'bouncing back' to MG ten years ago.

His brief today is focused on procurement of Berryfruit and subtropical fruits nationally. The transformation the berryfruit industry is going through currently with new varieties offering improved flavour profiles, extended season and shelf life, makes for exciting times.

Given the scale of Brett's role, he is in contact with growers from 90-Mile Beach to Oamaru. He reflects on the nuances between growers and their respective operations as you move down the country.

"No two growers are the same, and it's critically important to understand this if you're going to do the best by each and every one of them. They're operating in their own particular set of conditions so it's not right to take a broad-brush approach and think that they're going to be best served."

"Brett Reid is one of those guys who live and breathe what we're about", says Roger Georgieff. "He's always got the grower's best interest at heart and he's been a great role model for many of the young guys who are coming through behind him."

And when you ask Brett about why he has dedicated his entire adult life to one industry he quietly says, "It's a complex industry that is constantly changing and evolving, no one day is the same as the next so you have to be able to move with that - a bit like a chameleon - so your learning is never done."

"I look at this as a life-long apprenticeship."

# H&S AL MCCONE SERIES WORKSAFE NZ

Dealing with Critical Risks is the key to being Actually Safe.

"If we can shift the mindset around what health and safety means to one where we proactively identify the critical risks within the business and put in place the practical things that can be done that will ensure people go home safely at the end of the day, then we'll have health and safety in this country cracked." That's the single-minded message Al McCone, Agriculture Engagement Lead with WorkSafe New Zealand, wants each and every grower, contractor and staff member to hear. Complying with the legislative requirements, in reality, only means that you have met the very minimum standard of health and safety and by no means ensures an operation and its people are suddenly bullet proof.

"There isn't a policy that by itself keeps people safe", says McCone, "but there are lots of actions you can take to keep people safe."

McCone suggests that there is a simple thought process that can dramatically change an organisation's relative safety and shift the focus from compliance to ensuring people are actually safe:

1. Ask the question - what are the different

types of risks that can seriously harm or kill any person in my business at any given time?

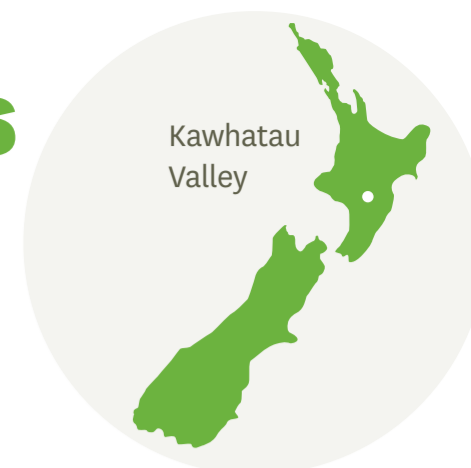
2. Which of these risks can I practically eliminate?
3. For the remaining critical risk factors, what do I need to put in place to ensure that those risks don't hurt people?
4. What conversations have we had as a team to collectively develop behaviours that will mitigate against those particular critical risks - is everyone involved?
5. Health and safety is never done, so what on-going processes do we have around reinforcement of desired behaviours and regular review of what is a critical risk?
6. Are the lines of communication open and clear between all parties involved in this operation?

At the end of the day, health and safety should be about proactive actions, not reactive ones. To the person responsible for the men and women who walk through the gate in the morning - don't just assume that they'll walk out of the gate that evening, proactively ensure that they do.



**GROWER PROFILE.**

# MANGAWEKA ASPARAGUS



Fresh, crisp asparagus gently blanched or sautéed in a knob of butter and drizzled with honey mustard sauce or barbecued and wrapped in bacon - you'd go a long way to find a more delicious super-versatile vegetable, says Diana Turney.

And therein lies the secret to George and Diana Turney's success - total belief in, and respect for, the product they have grown for almost 30 years.

Mangaweka Asparagus sits in the Kawhatau Valley in the central North Island and is one of the largest asparagus operations in New Zealand. 450m above sea-level, the stony, free-draining river terrace and temperate climate are ideal conditions in which to produce a sweet-flavoured, juicy asparagus spear. Harvest begins around mid-October and runs through to mid-January - sometimes three to four weeks after other growers around the country have closed off their harvest.

While George and Diana are still very active in the business, general manager Sam Rainey was brought on board four years ago to help the couple continue their legacy. The annual harvest sits at around 300 tonnes with projections for next year of 350 tonnes.

The company's entire operation is geared around 'the fresher the better' value proposition and it is this that drives many of the key strategic decisions made within the business today - from crop management - including harvesting, packing and supply to market - to forecasting and marketing.

Critical to retaining optimal freshness is ensuring that the asparagus spear is chilled as soon as possible after it is picked. With this knowledge, the decision was made to build the cool store right at the asparagus

site. On average, the spears are within the chiller within minutes of being picked. And the fresher the spear, the better the flavour. Once cooled, the asparagus is then graded and bunched.

"The speed with which we can get the produce from field to chiller is absolutely central to the quality product we send to market," argues George.

Further to the speed-to-chiller strategy, the company is hugely committed to food safety. Sprays are used minimally and a totally organic approach is adopted during the three-month harvesting season, leaving the spears free from spray when they leave the farm gate. The company is also committed to the traceability and accountability initiatives of the New Zealand GAP quality assurance programme.

Mangaweka Asparagus has a huge following in almost every region across the country. And Diana is a large part of the reason for this. In recent years, she has focused her energies on developing the marketing side of the business. If you care to visit [www.mangaweka-asparagus.co.nz](http://www.mangaweka-asparagus.co.nz) you'll find clear evidence of her passion for positioning the Mangaweka Asparagus brand single-mindedly on superior freshness and flavour and driving increased consumption by educating consumers on all the ways to enjoy this humble vegetable. Given her belief in the strength of face-to-face communication, she is religiously present at the farmers markets in Fielding on

Friday mornings and Taihape on Friday afternoons throughout the asparagus season. And if you happen to be passing through Mangaweka, Papa Cliff's Café is where you might be lucky enough to pick up a bunch.

MG, too, have played a key role in opening up markets to ensure a consistent and loyal customer base.

"One of the biggest challenges facing the industry as an over-supply of poor quality asparagus. The consumer doesn't want to buy it so it just stays on the shelf and stops the flow and we all end up losing - grower, retailer and the consumer".

"MG have been critical to the business in that regard", says Sam. "We trust in their ability to get the best price and to work with customers to keep the flow of fresh produce coming through."

Export markets also have a big role to play in keeping fresh produce coming through, especially during mid-October through to mid-November when there is an oversupply in the market. In 2018 the company sent the larger spears to Singapore and Hong Kong, and a little into the South Pacific.

Not only are George and Diana highly successful horticulturalists, they have a big moral compass and a strong commitment to doing good. The company is a large employer in the local area and are passionate about supporting people who really want to work. They place a great deal of emphasis on

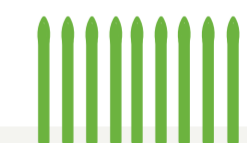
upskilling employees in all aspects of the business. They are also a big supporter of the RSE scheme.

"These young men are predominantly from the small outlying islands of Mota Lava and Futuna. They have become a key part of the business, but equally as important, every time you purchase a bunch of Mangaweka Asparagus you are directly helping with the lives of these young men and their families", says Diana.

"Out of this little block of asparagus we've been able to help 100s of people and their families over the years, and that's really important to us", reflects George.

George and Diana have four children, each of whom have a governance role in the business, while pursuing their own careers.

While the business is constantly looking to the future to develop better crop management, an increasingly secure and skilled workforce and to open up new markets, there is one thing that won't change - their mantra of fresher than fresh.



300 tonne harvested last season



George Turney & MG's Andrew Body



General manager Sam Rainey



Diana & George Turney

## INDUSTRY. SUMMERFRUIT NEW ZEALAND

Summerfruit is one of nature's treasures, yet in past years, as a category, it has struggled to achieve forecasted growth. There have been exceptions within the category, specifically cherries, but production and sales of others in the fabulous five - apricots, plums, peaches and nectarines – have yet to reach their full potential.

Summerfruit New Zealand is well on the way to turning this around. The vision of Summerfruit New Zealand's Chief Executive, Marie Dawkins, is to grow a vibrant industry with all five of the Summerfruit crops contributing to growth across both domestic and export markets. It is this vision that has been the impetus for the development of an industry-wide growth strategy – Sensational Summerfruit: a bold plan for growth – which is set to challenge every inch of current practices all the way along the supply chain.

The strategy is based on five key initiatives:

- 1. The consumer** – a value proposition based on fresh, healthy, flavoursome, quality fruit, underpinned with New Zealand provenance
- 2. New markets** – including the opening up of

online retail models, underpinned by the New Zealand Inc. story

- 3. Velocity through the supply chain** – faster delivery of fruit to market, including consumer packs, ensuring a fresher consumer proposition
- 4. High performance orchards** – providing greater volumes of quality fruit, efficiently and profitably
- 5. A stronger industry** – characterised by innovation, scale and greater profitability

"A programme of five projects has been identified as critical to the delivery of these key initiatives and to the long-term success of the category. These projects span consumer insight, new market development, innovation around packaging/packing and transport

solutions, high performance orchards and improved genetic material, and industry development", says Marie.

"Since identifying the need to change two years ago, we have been rigorous in our efforts to socialise the hi-level strategy with growers and other stakeholders who stand to benefit from the success of this strategy."

"Our Primary Growth Partnership (PGP) plan was extremely well received at our 2018 conference – where MG Marketing is our platinum sponsor. The government funding through the PGP programme will help create momentum across the supply chain and attract substantial new capital."

"The overwhelming response from many people has been one of relief around the fact

that there is a master plan and then the encouragement to just get on with it."

"We have had strong grower commitment and support for the strategy and are well on the way to securing the financial investment necessary. The next 10 months are all about completing due diligence and putting the right Governance and steering groups in place to ensure we are project ready by September 2019."

And the ultimate outcome – a larger, profitable and sustainable industry all because New Zealand Summerfruit will once again be perceived as high value amongst target consumers.

For further information, visit:

[www.summerfruitnz.co.nz](http://www.summerfruitnz.co.nz)

## BOARD PROFILE. JOANNA LIM

Joanna Lim is the newly appointed Director of the MG Marketing Board of Directors. Joanna is a Senior Associate with corporate law firm, Simpson Grierson, specialising in all aspects of the Financial Markets Conduct Act 2013 and commercial law, and with a special interest in the Emissions Trading Scheme. She advises many clients around business issues, including constitutional, governance and risk mitigation.

Joanna has a grower shareholder connection with MG through the family market garden operation, Jade Garden Produce. It was through this connection that she became interested in making a contribution to the Co-operative. She has explored a number of avenues of involvement over recent years and has met with continued encouragement from the growers she has met along the way.

As a shareholder-elected director, Joanna is

acutely aware of the importance of ensuring that growers' needs are fully understood and that the myriad of things that the company is doing to address those needs, both at a strategic and operational level, are clearly translated to growers. Her legal expertise coupled with her involvement in the family business provides a unique lens through which she views the Co-operative.

"I am beginning to learn that there is so much involved in doing what MG does and, through

my discussions with growers, I feel that there is an opportunity for more awareness and alignment in some respects.

Joanna's primary responsibility as director is to act in the best interest of the company and in doing so would also ensure the shareholders are well represented.

Without doubt, she will bring a valuable skill set to the boardroom table.



## STANDPOINT.

Horticulture is one of the oldest industries around, yet we've been one of the slowest to adopt new ways of doing things, often making decisions for the future based on what we've done in the past. Threats to the sustainability of our industry today, such as climate change, increased operating costs, an ageing grower base and an ever-fickle consumer, demand that we become smarter about how we do what we do.



We are living in an age where access to data can provide a huge strategic and competitive advantage for just about any industry you would care to name. And horticulture is no exception. Data gives us the ability to stimulate demand and ensure continuity of supply.

The key is not so much knowing how to access the data as it is understanding what it's saying; and then knowing how to apply these insights to inform better decision-making around what we plant, how much is planted and when it is ideally harvested.

Between our growers, our marketing reps and our customers there is a wealth of data that, when unlocked, should be driving how we approach each and every category and each and every season from production planning, sales forecasting and promotional activity, through to the introduction of new product lines within existing categories.

Retrospection is only ever useful if we actually learn from it and if we are prepared to share those learnings for the greater good. We must continue to work together to meet the needs of the consumer in a way that secures the industry as the driver behind the wheel. Smart data and the sharing of information are critical to retaining that place in the driver's seat.

Do this well and it is another stake in the ground around how to best protect the sustainability of our industry.

I hope that 2019 has got off to a good start for you and your families, and I look forward to catching up with many of you throughout the course of the year.

Peter Hendry  
CEO