



## Did you know?

Persimmons have been grown for food in China, Europe and North America for thousands of years and were called "fruit of the gods" by the Greeks.

The non-astringent Fuyu variety is the most common type available here and is usually eaten fresh, or in baking. Persimmons can also be dried for future consumption.

Rich orange in colour, the flesh has a consistency between an apple and a peach and contains high levels of glucose, beta-carotene, Vitamin C and potassium.

In peak supply from March to June persimmons are sold fresh, then placed in modified atmosphere bags for sale until August.

The persimmon tree is in the same family as ebony and its wood has been used for centuries in traditional Japanese and Korean furniture.

In North America it has been used for billiard cues, longbows & flutes and was the original material for making "woods" as golf clubs.

Fuyu persimmons make an ideal ingredient in fruit and garden salads, as a snack with cheese crackers, or as smoothies or slushes as a refreshing and healthy drink.

For more information visit [www.nzpersimmons.org.nz](http://www.nzpersimmons.org.nz)

STANDPOINT *by Tom Treacy*

## Link between growers and retailers will be vital

A great deal has changed in the way wholesale produce is supplied to markets since I joined the industry from school 51 years ago as a storeman for Lovell Bates in Dunedin. We have seen the emergence of large supermarket chains in the place of many small greengrocers, along with a consolidation towards fewer and larger growing enterprises. Our distribution activities have expanded from a 50-hour week to non-stop 24/7 operations, while our produce sales are country-wide, as opposed to previous regional networks. Some would argue such changes are for the better and no doubt others would disagree. But there are some things that have not changed and I take this opportunity – in my final Standpoint contribution – to focus on why these are important for MG Marketing and its suppliers and customers. One consistent trait still prevalent today is the problem of oversupply. Despite all the improvements made to distribution methods, there are still too many examples of surplus produce entering the market and lowering prices and margins. Ours is an industry governed 99 per cent by supply and demand. By its very nature there will be imbalances between the two and to some extent these are unavoidable. But there are constructive ways for those in the produce supply chain to minimise the extremity of seasonal peaks and troughs, which do no favours for anyone. The best remedy is having reliable two-way communication links between sellers and producers and to ensure the flow of information

is complete, accurate and timely. Such a process relies absolutely on good management systems based on trustworthy relationships between all parties involved. This is where MG Marketing plays a vital role as the linchpin between growers and retailers. Its task is the same today as it was half a century ago and despite all the changes that have taken place, it is a task that will be the same for the foreseeable future. Inevitably there will be further changes across domestic retail and supply sectors as consumer preferences and buying patterns evolve. But the need for a reliable intermediary with the ability to consistently make the correct signals will be a constant. As this is my closing comment before retiring from the company, it remains for me to express sincere thanks and best wishes to all Supplyline readers. It has been a stimulating and enjoyable journey, but all good things must come to a close.



## Customer services team performs a key role

MG Marketing's nine strong team of account managers plays a key role in meeting the produce requirements of supermarkets around New Zealand. The team members, shown, combine nationally as well as regionally to ensure MG satisfies the purchasing needs of retail outlets and their consumers. Their work depends on a well coordinated program designed to give MG growers and suppliers accurate and timely feedback on what the market wants, how much, when it is needed, and where. The key focus is on delivering the best possible customer service across all produce

categories, with an emphasis on supplying the highest quality fresh vegetables and fruit.

To achieve this goal, the team works with MG Marketing's field staff on a wide range of tasks including distribution logistics, category planning, brand development, promotional activities and product forecasts.

Within their regions the managers have developed close working relationships with buyers from all the major customer groups servicing the New Zealand consumer. They also meet regularly to review their sales

strategies and procurement plans, an essential requirement in MG's ability to meet the changing demands of consumers in a competitive market place.

**From left to right:**  
Allan Murray and Neil Bridgens, regional account managers Auckland based.  
Simon Talbot, Hannah Woods, Jason Roberts and Jonathan Dillon, regional account managers Christchurch based.  
Peter Northern, regional account manager; Claire Sewell, national account manager; and Jade Reeves, regional account manager Wellington based.



# H&J Roberts: Otago fruit production is a real family affair

Over 30 years ago Harry & Joan Roberts began a lifetime of work to develop their own orchard business in Central Otago for the next generation of growers - their children.

The results of their efforts are evident today in a thriving and diversified family-run enterprise that includes son Harry Jnr and daughter Vicky in the summerfruit and pipfruit operation.

“Since we took ownership of the orchard at Earnsclough, we have always had it in mind to build a hands-on business for our family,” Harry said.

“As we have grown and diversified, we’ve been able to involve two of our three children in running the operation. Our work has become a total lifestyle for all of us.”

While Harry manages the business and helps supervise orchard work, Joan is the packhouse manager, Harry Jnr is head of orchard operations and Vicky is responsible for quality control. Harry is also a director of the local irrigation company, water being a critical element for the typically dry and stony terrain of the region.

They employ 15 full-time staff and upwards of 120 more at the height of the picking season on 55 hectares of productive land across four blocks.

Fruit grown includes apricots, cherries, nectarines, peaches, plums and pluots (a plum-apricot hybrid), along with apples and pears all of which comprise no less than 63 different cultivar varieties.

“Each cultivar has its own identity. The big range we have means a lot of complexities in terms of crop management,” Harry said.

“These are compounded by climate extremities as one of the growing blocks is in the coldest part of the valley and another in the warmest part.

“It is a fickle business, but with experience gained over many years we can capitalise on our cultivar diversity and develop early and late varieties to lengthen the growing season.

“We never stop looking for new varieties, new ways to tend the orchard and new methods of handling and packaging our produce.”

“Optimising returns for produce grown is a continual challenge. Returns on top-end exported produce are generally well above what can be achieved on the domestic market.

## Consistency is the key says MG

H & J Roberts has earned a reputation as a Central Otago grower renowned for its consistently high produce quality”, says MG Marketing National Procurement Manager, Roger Georgieff.

“MG began wholesaling and marketing the orchard’s output eight years ago and we currently handle all of their domestic production.” “The Roberts family is responsible for the growing, harvesting and packing operations, while we work closely with them on what and when to pack according to customer and market demands. It is a true partnership which mutually benefits both organisations.”

This is the nature of a short-season business, so we do all we can to maximise the value of key crops at particular times of the year,” he said.

“Our packhouse usually finishes in mid-June with some pear and apple packing for local markets and starts up again in December for cherry packing.”

In the just ended growing season lasting about 16 weeks, the business has already despatched over 1,400 pallets of fruit.

Harry said the Roberts’ family and their staff always look forward to the arrival of seasonal workers and miss them when they are gone.

“It is a real melting pot of humanity from all parts of the world and is certainly one of the most rewarding aspects of the industry.”

“For our family the passion to make a success of the business is only matched by our enjoyment of working with a big team of people.”



## Employment legislation changes

Parliament has passed changes to the Employment Relations Act 2000 and the Holidays Act 2003. Additionally, the Immigration Act 2009 is now in force.

Changes to the Employment Relations Act and the Holidays Act, for the most part, came into effect on 1 April, 2011.

### These include:

- Requiring consent to be given before a union can access a workplace.
- Clarifying that employers may communicate with employees during collective bargaining.
- Requiring employers to retain employment agreements.
- Extending the 90-day trial period provision to all businesses.
- Changes to the personal grievance provisions.
- Extending the role and powers of labour inspectors.
- Extending and increasing penalties.

More information on the changes to these Acts is obtainable on the Department of Labour website [www.ers.dol.govt.nz](http://www.ers.dol.govt.nz)

### The main changes to the Holidays Act include:

- Changes to the calculation of payments for public holidays, alternative holidays, sick leave and bereavement leave.
- Allowing employees to ask to cash up a maximum of one week of annual holidays.
- Changes to transferring the observance of public holidays.
- Changes to when employees can take alternative holidays.
- Requirements regarding requesting proof of sickness or injury.

## The immigration Act

In respect of the Immigration Act 2009, now an employer only has a defence to a charge of employing a person without entitlement to work in New Zealand if they did not know the person was not entitled to work and took “reasonable precautions and exercised due diligence” to ascertain whether the person was entitled to work.

This means that employers need to be more diligent than was previously required when checking whether prospective employees can work for them.

Details on employers’ obligations under this Act are available at Immigration NZ’s website: [www.immigration.govt.nz](http://www.immigration.govt.nz)

# Be sure of your water resource consents

As summer irrigation activity draws to an end, growers should ensure their water take consents are in place for next season, says MG Marketing research analyst, Michael Breitmeyer.

Michael says the issue of water resource consents is a crucial one for all business operators relying on land and crops for a livelihood.

"Resource management rules are changing and growers simply cannot assume they will be guaranteed consents automatically," he says.

"The reality is there is a distinct possibility of applications being declined in some circumstances."

Chris Keenan of HortNZ has advised growers to expect requirements for metering on most consents, on the premise that you can't manage what you can't measure.

The HortNZ advice given to members is clear:

- Make sure a robust application is made to your regional council within the required timeframe;
- Applications for water take consent renewals need to be made to regional councils between three and six months before an existing consent expires.
- If you are unclear, contact your regional council to check.

Michael says recent Hawke's Bay Regional Council hearings for consent renewals resulted in recommendations for significant cutbacks on previously consented volumes.

"Those with late applications received recommendations that they be declined."

"So it is vital that growers ensure their applications are robust and presented to their local authorities by the required deadline."

To assist arable farmers with irrigation scheduling, The Foundation for Arable Research has launched a software programme AquaTRAC™. See [www.far.org.nz](http://www.far.org.nz) for more details.

While not yet available for vegetable crops, except potatoes, it could be extended to assist other horticultural crops in future. "Software like this and other developments in water monitoring and modeling will play important roles as water usage comes under greater scrutiny," Michael says.

**"The bottom line is that growers must not take water for granted."**

"As a natural resource it is our competitive advantage and essential to our business model, but it must be managed carefully for that model to succeed."

For up-to-date information on local water management issues, growers should contact their local authority or regional council.

## GROWER PROFILE

# First Fresh: Growing and marketing strengths key to success

A clear focus on local growing and international marketing strengths has been the catalyst for the road to success of Gisborne-based First Fresh New Zealand Ltd.

As a supplier of fresh produce to MG Marketing, First Fresh along with sister company NZ Fruits Ltd (post harvest and packhouse operations) specialise in procuring and packing key fruit and vegetable lines that are receiving strong demand in domestic and export markets.

It has become a leading supplier of citrus on the domestic market, including a 40% share of the national persimmon crop, and also exports a wide range of produce under the First brand.

First Fresh has come a long way since it was founded in 1989 by Bill Thorpe, who remains its energetic chairman as well as managing director of NZ Fruits.

Ian Albers is the managing director of First Fresh, joining in 2000 and becoming a director and shareholder in 2004. His role is to provide strategic overall direction for the enterprise.

Other management staff include Wi Reedy as financial controller, Brian Pepper, Phil

Croy and Stuart Mansill as product managers, Wayne Hall as technical manager and Sally Russell responsible for grower compliance.

Ian said a prime factor in the company's growth has been putting people first and generating excellent relationships with suppliers and growers.

**"Our business philosophy is that the person doing the procuring needs to be able to kick the dirt in the field and handle themselves with the wholesalers and buying teams as well," he said.**

"This goes right across both companies and is built over time, so that our culture combines traditional business practices with modern management systems."

While First Fresh is primarily involved in grower services and sales and marketing initiatives, NZ Fruits is the hands-on operation for packaging and processing supplied produce.

"The two have separate but mutually dependent objectives," he said.

"Growers need to supply a quality product to which we can add value at the packaging and marketing stages, both for local and overseas sale."

Economy of scale is important too, as most of the 140 grower-suppliers are small-scale and lack the resources to deal with multinational wholesalers and retail buyers.

To put this in perspective, the company annually handles 9.5 million kilos of citrus, 1.4 million trays of kiwifruit and 1.1 million kilos of persimmons.

And these varieties are just a small selection of what is grown and packaged from the fertile East Coast hinterland.

First Fresh has developed expertise not only in citrus such as oranges, lemons, limes and grapefruit, but also in strawberries, blueberries, persimmons, tamarillos, kiwifruit and asparagus – a considerable proportion for export.

Ian said the company faces numerous challenges in its efforts to maintain growth and profitability in future years.

"A big one is to keep improving our product consistency so that ultimately consumers have confidence in what they buy, as well as the brand it is sold under."

"Another is to deal with domestic supply and demand disparities for citrus such as limes and lemons during winter and summer periods.

"We are also seeking more long term contracts with growers to ensure continuity of supply and to facilitate planning and procurement."

Growers who supply desired volumes to required quality specifications are able to benefit from the First Fresh rewards programme. On the export front the company's marketing team has gained considerable success in recent years by developing new overseas markets and achieving strong results.

All in all, the Gisborne enterprise is a real horticultural and commercial success story for a region known, quite ironically, as Poverty Bay. 🍋



## A solid partnership is the key to success, says MG

"The relationship between MG Marketing and First Fresh began with the Gisborne company's formation 22 years ago", says Rob Hollier, Procurement Manager for MG Marketing.

"As a wholesaler and marketer we have worked closely with First Fresh over the years and they are now our largest single grower-supplier of produce for the domestic market. MG Marketing procures approximately 70% of First Fresh domestic supply. One of the keys to the success of our association is a very close working relationship to ensure there is an alignment of production with retailer demand, resulting in a continuity of supply."



STAFF PROFILE

# Michael reaches 32 years' service with MG



When Michael Campbell left college in Wellington to work for MG Marketing in 1979, little did he imagine he would still be on the payroll 32 years later.

Yet he has remained in continuous employment with the company, now as an inwards goods staff member at MG's Grenada North distribution centre. "I joined as a part-timer in stores at Wakefield Street, starting each day at the

unaccustomed time of 5 o'clock in the morning," Michael said. "In those days local growers arrived with boxes of produce in their trucks and we would unload everything by hand in time for the daily auction."

"Everything sold was then loaded back on to buyers' vans, again by hand."

"We had one forklift available so there was a fair bit of competition to get in the seat and to stay there."

Injuries from a car accident interrupted Michael's physical work in stores, prompting a move into sales for a couple of years. But he was soon back on the floor and relishing the challenge of dealing with increased volumes of produce as MG expanded its business.

"Our handling systems have changed hugely from the days when fruit and vegetables didn't even have pallets for loading and unloading," he said.

"Nowadays it is so much more efficient and we can move large quantities of produce quickly and in controlled temperature conditions."

A big reason for Michael's longevity with MG is the close teamwork and camaraderie of colleagues who enjoy what they do.

"We get along really well and work together to resolve daily challenges and any problems that may arise."

"There is a great attitude with the branch of doing it once and doing it right, which is something all of us take pride in."

In this spare time, Michael enjoys 10-pin bowling and looking after his pride and joy – a carefully maintained Ford XR8. 🍌

## Staff loyalty underpins Christchurch branch operations

Displayed in the reception area at MG Marketing's Christchurch distribution centre are seven rectangular metal plaques, each one recognising 20 years of service by a staff member.

The seven branch staff with 20 years or more of service are:

- 🍌 **Kathy Killick** administration/data manager
- 🍌 **Tim Poorter** marketing representative
- 🍌 **Uso Puavasse** warehouse supervisor
- 🍌 **Jenny Lunn** administration/accounts
- 🍌 **Jason Roberts** assistant branch manager/account manager
- 🍌 **Norm Jordan** gardener (part time)
- 🍌 **Scott Mason** marketing representative

The branch manager, Jeff Neumann, says their location and prominence demonstrate the importance the company places on employee loyalty to the business. "In the next couple of years we will be putting several more on the wall, as others on the team reach the 20-year milestone," Jeff says. "The display is not just for show, but to emphasise the value we put on service experience and on lasting relationships between MG people and our customers and suppliers. Given our role as produce distributors in a very competitive market, these qualities are essential for us to succeed at our task." Jeff says it is worth noting that all five of the men on the awards list (See names below) started their jobs with MG as warehouse

staff. "I include myself in that category too, although I worked for another firm in Auckland before joining MG in Christchurch 14 years ago." "We have all gained experience on the floor and learned the operating basics first, then gone on to develop careers in marketing, sales and management. A key part of this process is building teamwork in the branch and fostering long-term relationships with suppliers and buyers. Without that unity and continuity, we would not have a go-ahead business." A good example of putting locally-won skills to use is in the critical area of quality control, where the branch has two full-time quality assurance staff. As part of MG's good business practices, the branch compliance covers health and

safety rules, horticultural industry standards, customer specifications for produce handling and delivery, as well as MG's own brand standards. Jeff says all branch personnel are ultimately accountable for product integrity and one way or another play a hands-on role in delivering what is required. "One of our big challenges is to maintain a smooth and efficient supply chain, from the grower to the retailer and vice-versa," he says. "Personal contact and reporting lines, with strict operating procedures, are essential for meeting this challenge." "It requires a high level of trust between all parties in the chain and it cannot be achieved overnight – it takes time, experience and ability."

The growth of account management practices for key clients has seen MG in Christchurch refine its warehousing and logistics work. Two years ago it appointed Sam Marson, with UK logistics management expertise, to the position of warehouse manager. With two-thirds of the 55 staff being the warehouse staff comprising of in three daily shifts, the onus is very much on coordinating the receiving, picking, consolidating, checking, storage and dispatch activities. "Coupled with specialised sales, marketing and administrative roles, it's a far cry from the way we operated even just a decade ago," Jeff says. "What has not changed however is the dedication and loyalty of our staff." 🍌

The MG Christchurch team at their premises in Waterloo Road.

