

SUPPLYLINE



NEWS FROM MG MARKETING

GROWER PROFILE.

BAYLEY PRODUCE LTD



HARD WORK PAYS DIVIDENDS FOR KEVIN & KAREN BAYLEY



Kevin Bayley has come a long way since his days as a hawker selling fruit and vegetables on the side of the road in the 1980s and 1990s.

Over three decades on, Kevin and Karen Bayley are owners of one of the premier growing operations in the Hawke's Bay. They continue to expand their business, which spans more than 300 hectares across Twyford, producing summerfruit, pip fruit, melons, corn, strawberries, peas and beans.

"I'm predominantly a summerfruit grower, that's my real passion," says Kevin. "It came about when I bought a struggling summerfruit orchard in 1990."

"Everyone told me I'd go broke but it was the opposite. I had five outlets at the time and was able to move all the fruit we grew and the orchard ended up paying for itself in the first year."

"It was long hours and damn hard work but buying that orchard was how I got traction to expand after just one year."

Despite continually growing their business to meet consumer demands, Kevin has been careful to maintain the high standards for which they have become known.

"I take a lot of pride in what we grow – sometimes I wonder if I'm a bit fussy," says Kevin.

Bayley's Produce has developed into a year-round business growing a large number of categories and employing 35 permanent and 250 seasonal workers.

When interviewing Kevin in his work truck, he stopped to wind down his window and have a light-hearted chat with a couple of workers in a ute – after which he rhetorically asked, "what did that cost?"

"Even though we've grown, I think it's important to maintain a personal touch with the teams," says Kevin.

"I don't spend too much time in the office, I prefer to spend time out on the farm."

While Kevin might come across as a typical hardworking Kiwi bloke, make no mistake, he is an astute businessman, who doesn't let opportunities pass him by.

An obvious example is the work he has undertaken to develop the new variety of apple called the Bay Queen. Unlike other new varieties that have been bred, the Bay Queen was a natural sport, spotted by one of his team members who was spraying a crop of Royal Gala.

Kevin downplays the discovery as a stroke of luck, but as he goes into more detail it becomes clear that there's been a decade of hard work that underpins the new apple, including grafting, planting, trialling, not to mention the three-year process to obtain Plant Variety Rights (PVR).

"Once I saw the full branch of block red fruit, I knew it was unique," said Kevin. "It has been a slow burn with a lot of monitoring and propagating to see how it would perform."

"Now, ten years on, we couldn't be happier. It yields exceptionally well, the flavour is balanced and it comes on much earlier than other varieties."

Having spent the time developing the new variety, Kevin worked with MG Marketing subsidiary business, Te Mata Exports, to nurture it through to the early stages of being commercialised. He acknowledged that his strength is growing, and with his time required on a number of other large projects, he entered into an agreement for Te Mata Exports to acquire the exclusive rights to the Bay Queen.



Crops grown across 300 Ha



Main crops grown: Summerfruit, apples, strawberries, watermelons, corn, peas & beans

"We're integrated with MG through their summerfruit IP we grow and our shareholding, so it made sense to partner with them and Te Mata Exports," said Kevin.

While the variety is still very new, ten thousand cartons will be packed this year.

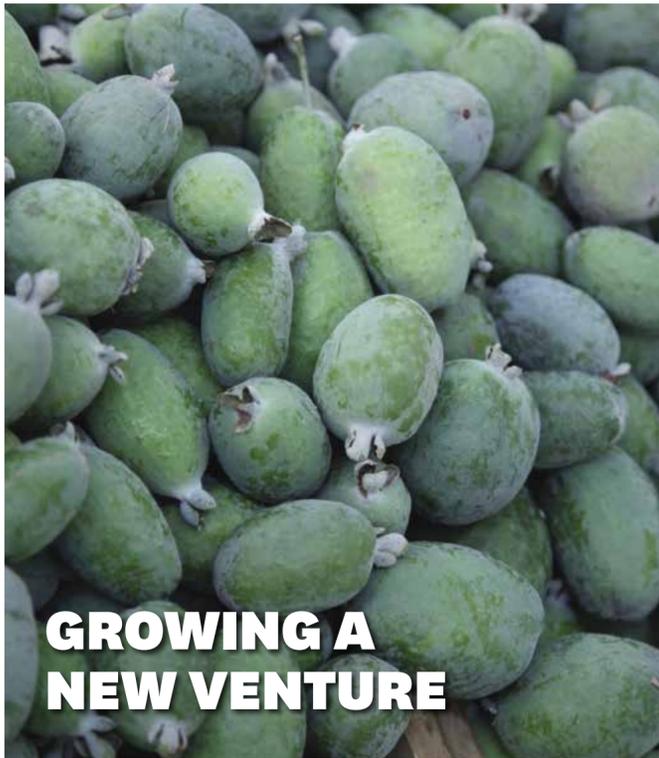
"I have no doubt it will be a huge commercial success," says Te Mata Exports Director, Murray Tait.

"We are continuing our market testing and all indications are that it will be hugely popular, especially in the early season window when almost all other New Zealand apple varieties are not available."

"Looking at the crop here today, any grower would be impressed, from the tree shape, fruit load, colour and individual pieces of fruit."

← Te Mata Director Murray Tait, Kevin Bayley and MG Representative Rob Hollier.





GROWING A NEW VENTURE

A growing operation that has successfully established itself in the Hawke's Bay region over the past five years is Fuller Feijoas. At the helm are husband and wife team, Brent and Philippa Fuller.

The business specialises in growing early-season feijoas and is one of the main suppliers to the MG Marketing (MG) branch network.

Unlike many growers who are born into farming, the entrepreneurial Fullers have been involved in a range of different industries. Prior to transitioning from a 300-tree hobby-orchard into a full-scale growing operation, they started a kombucha business from scratch, owned a popular local café and set-up an IT business that develops software for ports and tertiary



3000 Feijoas trees



Main crop: Feijoas



it," says Brent. "Outside of harvesting and pruning, we also have no staff."

"Feijoas are relatively easy to work with. We had a reasonable number of trees when we had the café and the good thing was, we didn't have to do much to them."

"There's a little bit of spraying with organic oil and we like to prune them fairly short to avoid using ladders for picking, but all-in-all they're fairly low maintenance."

"Don't get me wrong, it's still a lot of hard work and at times of year the hours are long, but it's hugely rewarding."

"The process is straight-forward too. We pick them, grade them, pack them into crates, then onto pallets. I then drive to Hastings to the transport company and they travel onto where Zach asks us to send them."

Aside from the growing qualities, Philippa says they're an incredibly versatile fruit that is growing in popularity. Renowned for being high in fibre and vitamins, they also have antioxidant and anti-inflammatory benefits.

"We stretch the season by bottling and dehydrating them, making chutney, jelly, cordial, ice cream, fruit paste, fruit leather and they're an excellent fruit for smoothies, baking and desserts" says Philippa.

"You name it, we'll try it. We're learning as we're growing."

education providers - a company that Brent continues to work in today.

While working full time in the horticulture sector is relatively new to them, they've always enjoyed growing, with a lot of time spent propagating and planting native trees on their nine hectare property.

"We've always liked a broad range of things to do," says Philippa. "We've been lucky to be able to give a number of different things a go but you also have to like what you do, or it won't last."

The decision to expand the orchard was driven by a desire to do something they love, while also prompted by a chance-conversation with the late-Ian Reisima who was a senior member of the MG procurement team. Now in the safe hands of MG's newest procurement manager, Zach Zaloum, they continue to supply branches throughout the MG network.

"Once we sold the café we wanted to step into something that was interesting and that we enjoyed doing," says Brent.

"Once we got going we started supplying MG and we haven't stopped."

While Fullers have developed into one of the main suppliers of feijoas to MG, they don't aim to become a large corporate grower. Their business is at a scale that suits their lifestyle and feijoas, described by Philippa as "a lighter touch" fruit, fit nicely into their plans.

"Unlike when we had café, it's easier to go away for a few days and that's something we like about

↑ Brent Fuller with MG Representative Zach Zaloum.

↔ Brent & Philippa Fuller with MG Representative Zach Zaloum.



While there is no evidence that food or food packaging are significant transmission pathways for Covid-19, there are steps that can be taken to reduce the risk of contamination.

Speaking about the topic, Otago University experts, Professor Phil Bremer, Dr Catherine McLeod, Dr Joanne Kingsbury and Dr Rob Lake say that despite billions of meals having been transported around the world and consumed since the start of the pandemic, there is no definitive evidence that food or food packaging has been a source or a transmission route for SARS-CoV-2.

Although significant Covid-19 outbreaks have occurred at food processing facilities overseas, the primary cause of these outbreaks is believed to be due to person-to-person transmission, which has been facilitated by the enclosed nature of the work environment, rather than exposure of workers to contaminated food or packaging material.

While a number of studies have investigated the ability of SARS-CoV-2 to survive and remain infective on food, packaging material or other surfaces, the majority of studies have tested the food or surface with far higher concentrations of virus than could be reasonably expected to be naturally deposited by infectious people sneezing. Survival over time has then been assessed under conditions that have generally not reflected natural scenarios.

Nevertheless, when added to foods, SARS-CoV-2 can remain infectious for varying periods of time, dependent on the properties of the food (pH) and the storage conditions (temperature, relative humidity).

There are however, four important take home points to consider when assessing the potential role of food in the transmission of SARS-CoV-2. The first is that studies which have attempted to try to replicate natural fresh produce contamination scenarios by using low levels of aerosolised SARS-CoV-2 or the handling of produce by Covid-19 infected people, have not resulted in infectious SARS-CoV-2 subsequently being detected on the produce.

Second, normal cooking or the application of heat during food processing will inactivate the virus.

Third, if SARS-CoV-2 did get on to food, and this food was subsequently consumed before the virus was inactivated it is believed that normal intestinal tract conditions (stomach acid and bile salts) would inactivate the virus.

Fourth, infection by SARS-CoV-2 occurs principally via inhalation of aerosolised virus particles.

These four points provide a clear rationale as to why food is unlikely to be a vector or transmission route for SARS-CoV-2.

The risk of SARS-CoV-2 being spread from contaminated food packaging is also considered to be very low.

Companies can best protect people, products and packaging by ensuring there is good ventilation, appropriate PPE use, the use of screens, strong workplace bubbles and social distancing, and that there is strict adherence to good hygiene practices.

BEN ROSS IS THE RECIPIENT OF THE NZ COOP EMERGING LEADER AWARD

The Cooperative Business NZ Annual Awards, which recognise outstanding leadership and success within the co-operative business sector, were announced in February via an online awards ceremony.

MG Marketing's Ben Ross was named the Emerging Leader of the Year.

This award comes on the back of Ben's strong contribution to Wellington branch during his time as Branch Manager and subsequent work as a senior member of the sales team in Christchurch, most notably his work leading and embedding practices around customer service.

NZ Coop CEO, Roz Henry said the Emerging Leader of the Year recognises an individual who is making their mark within their member organisation.

"Ben's commitment to MG Marketing is impressive, having started there as a high school student in 2008," says Roz.



"A stand-out with Ben is how he shaped the way his branch achieves targets - recognising that the traditional approach of 'just selling more produce' wasn't going to make a significant impact or achieve the best outcomes for grower-members."

"We look forward to seeing where his journey continues to take him. The MG Marketing team and the co-operative community is very lucky to have him."

MG Marketing was also a finalist in the overall New Zealand Co-operative of the Year category alongside Balance Agri-Nutrients, Farmer's Mutual Group and winners, NZPM.

MG MARKETING (MG) GROWER UPDATES



New MG computer system live in Nelson and Invercargill

The MG branch network is transitioning across to a new computer system called M3, with Nelson and Invercargill the first two branches to already successfully go-live. While the technology and system will be replaced, the way MG present information and transact business will not change. However, growers supplying Nelson and Invercargill will receive two daily sales reports and a separate Buyer Created Tax Invoice.



Grower Delivery Advice (GDA)

The new M3 computer system requires all growers supplying MG to use the GDA web portal. The GDA is an internet-based system, that allows consignments to be logged electronically with a MG branch ahead of the produce arriving. Growers not yet using the GDA can contact Liz Greenwood for information about getting set-up (lgreenwood@mgmarketing.co.nz or 027 300 3024).



Social Practice Certification

It is a requirement for all growers currently supplying Foodstuffs and Countdown to have a social practice certification. MG is making it mandatory for all growers supplying our network of branches to be certified by 30 June 2022.

MG strongly urges all growers to take steps towards getting certified now. Growers can start by visiting the NZGAP website and completing the short online NZGAP Social Practice Add-On registration form. Alternatively, you can consider Global G.A.P. GRASP or SMETA/SEDEX if these are preferable for your business.



Crate Update

Viscount FCC 75 litre crates (F75L) have been taken out of circulation and therefore MG are no longer accepting them from growers or returns from customers.

In addition, all weck crates (W75L) will no longer be accepted from growers after 14 May 2022.



Cooperative Governance Development Programme

This six-month Co-operative Governance Development Programme supports new and aspiring future governors operating within co-operative and governance environments. The next intake for this programme will take place in May 2022. Through MG's Cooperative Business New Zealand membership, shareholders are eligible to apply and attend. For more information visit the nz.coop website.



2022 Primary Industry Awards

Entries are open for the New Zealand Primary Industry Awards. The awards consist of eight categories and shine a spotlight on the important role the primary sector plays in the economy and honour the most successful and innovative primary industry producers and supporters.

To find out more visit: www.primaryindustries.co.nz.



GROWING A LASTING FAMILY BUSINESS

Succession planning is an issue that is regularly discussed by growers and the wider horticulture sector, however, it continues to take a backseat when it comes to family discussions.

Thinking about handing the business to the next generation can be a sensitive topic and uncomfortable to deal with due to emotional factors, family dynamics and financial implications.

Unfortunately, many growers leave it too late and have to deal with succession in a reactive and ad-hoc way. This can lead to limited exit options and outcomes that are not in the best interests of the owner or their family, including damaging relationships and having a negative impact on returns.

Succession planning is not a one-off task but rather a continuous and evolving process. There is no set playbook to be followed with business objectives, future plans, legacy goals and family values all playing a role in determining how it is developed.

For some growers, the best course may mean making a different choice and bringing in leadership from outside the family to run the business or selling to someone else. This approach also requires careful planning to ensure the farm has the best chance of success.

A detailed succession plan with flexibility, effective communication and transparency should be a priority for all family growing operations.



One issue that is common for grower-owned businesses, is that it is often the owner who holds the key knowledge and relationships. This is a significant risk for a business, especially in events such as sudden illness or death. Succession is also about transferring roles and responsibilities. You should start by detailing how the business looks now, along with who does what task and ensuring it is clearly understood by your family and your employees.

While it may appear to be a daunting task, planning should start as early as possible. Succession planning is one area where your leverage tends to diminish over time.

Consider what help you may need and think about setting target dates for transition, even if it is well into the future. Getting the process started now will reduce short-term worry and avoid challenges in the future.

I'm sure all growers want to make sure their business is successful when they step away. After all, there's a lot at stake, including the value created on the back of years of effort along with the future of your employees, your community and others connected to your business.

® Together.Stronger.

Peter Hendry
CEO

MG MARKETING CHARITABLE TRUST

Applications open for June 2022 funding round

The MG Marketing Charitable Trust (MG Trust) launched last year to contribute towards the general improvement, capability and profile of the horticulture industry in New Zealand.

After a successful inaugural funding round last year, in which six projects were allocated funding, the MG Trust is inviting applications for the next contestable funding round.

**Deadline for June contestable fund applications:
23 May 2022.**

Funding applications are welcome from industry bodies, growing operations, individuals, community groups or

anyone in New Zealand with an active interest in enhancing the horticulture sector.

Growers and other members of the horticulture community are encouraged to share information about the MG Trust with potential applicants.

For further information about the MG Trust and to download applications forms visit:

www.mgmarketing.co.nz/mgtrust



SLOWING DOWN AND FAMILY TIME KEY

If Pukekohe market gardener Allan Fong could dish out one piece of advice to his younger self, it would be to slow down and spend more time with his family.

The owner of The Fresh Grower has put more focus on family and introduced more balance from the job that has consumed his life since he was a youngster.

"My parents were from China and they started their own vegetable business in Pukekohe in 1950 and growing up we would help out every day before and after school," Allan says.

Allan and his younger brother Colin eventually took over the farm, which now includes their children.

"I've stepped down a bit and am letting the young ones coming through take over more of the operational activities."

It can be very high pressure and takes a toll on your health if you're not careful, warns Allan.

"It's not a 9-5 job and there is constant pressure. When I was younger, I used to work crazy hours – upwards of 100 hours a week, seven days a week and then about 20 years ago I had a stroke. At that point I had to learn to slow down a bit and take it easy," he says.

"Now, I make sure I tell the young ones starting out to take breaks and have time off for holidays, take Sunday off, so they have more balance in their lives."

Vegetable growing challenges

Allan says vegetable growing doesn't enjoy a high profile compared to other sectors, however, it provides healthy, affordable food all year round.

"Our industry doesn't receive government subsidies or grants and so we very much have to stand on our own two feet."

He says the vegetable growing sector is very competitive and as a result many growers have left the industry.

"For example, thirty odd years ago there were approximately 33 Chinese families vegetable farming in the area, now there are less than a handful. High compliance and costs also contribute to the reduction of farms."

Having a break and delegating

Allan says he's learnt that having breaks and delegating are important.

"I've cut back on the 3-4am starts and I can now delegate work to other people, which helps. I'm an old dog and my life was unbalanced with the amount of work I did," he says.

Allan, who has two children, says there's a big generational difference in the amount of hours people are expected to work.

"It's okay to not work ridiculous hours. We know now that people need time off and to take a break to look after their wellbeing," he says.

"Time goes so fast and before you know it your kids are grown up so it's important to slow down and enjoy the moment."

Growers are encouraged to seek advice and support they need. The Farmstrong website is a great resource for growers looking for tips on the ups and downs of farming - www.farmstrong.co.nz.

↓ Allan Fong

