

#9 June 2014

GROWER PROFILE

Webb's Orchard flourishes into its fifth generation

Few family-owned and operated orchards established 100 years ago are still growing the same lines of produce in the same location, with a fifth generation on hand to continue the legacy in the future.

One such orchard is Stonehurst, trading as Webb's Fruit, located on its original 32 hectares of land near Cromwell in Central Otago - the heart of summerfruit country. It is currently run by Simon and Trudi Webb, the fourth generation of growers in arguably one of New Zealand's most successful pioneering family enterprises in commercial fruit production.

Today Webb's produce and sell domestically and overseas 28 summerfruit varieties including apricots, nectarines, peaches and plums, as well as pipfruit including apples and pears.

Some apple and pear trees are still producing commercially over a century after Simon's great-grandparents John and Florence Webb acquired the property in 1914, moving from Invercargill for health reasons.

"They laid the business foundations for everything that has followed," says Simon.

JR, as he was known and where the JR Webb and Sons company name derived from, used gold miners' old water races to irrigate the frequently parched land.

"With sons Jack and Harry they were among the first orchardists to use flood irrigation and frost pots to counter long summer droughts and ice-prone winters

"JR's wife Florence, known by all as Granny Webb, outlived him by 30 years and saw the business through the tough depression vears and World War Two.

Subsequently the brothers diversified into stonefruit and the apple export market,

before Jack's son John took over running the business in the mid-1970s.

"John, who passed away in 2012, was highly respected and influential in the industry, serving on many horticultural boards and advisory groups at local and national levels."

John and his wife Ainsley, who still assists in the business today, were responsible for further innovations including the use of overhead sprinkler systems across the entire orchard to combat frosts.

To achieve this they installed a big dam at a capital cost probably equal to the value of the farm, as well as building a new coolstore and worker's quarters.

"They were not just hard working but also far-sighted, introducing new summerfruit varieties and expanding onto unplanted areas of the property," he says. With such a history it seemed inevitable their oldest son would want to continue the family tradition - precisely what Simon, Trudi and their three children have done.

Their long term goal is to be environmentally and economically sustainable, yet open to new ideas future generations.

They invested recently in a new packhouse to significantly improve throughput for increasing fruit volumes, while at the same time lowering operational overheads.

One of Webb's Fruit closest business allies for over 30 years, says Simon, is MG Marketing and its role securing domestic sales channels for an expanded range of summerfruit produce.

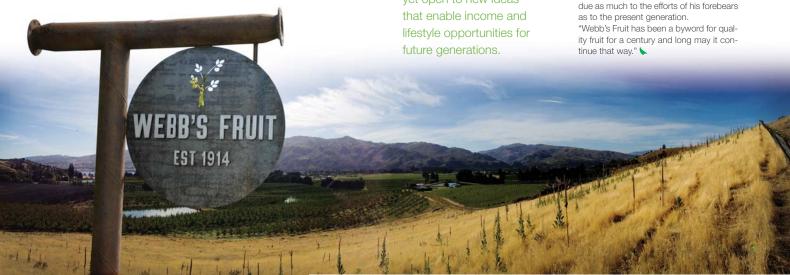
"We supply all their branches and also directly to supermarkets through MG's distribution network. Some varieties are grown exclusively for MG to market to national retail customers.

"These arrangements are pivotal to our success, not only spreading our income sources beyond private fruit sales and overseas exports, but also generating good sales margins.

By concentrating on proven summerfruit varieties and improving crop management practices, Stonehurst has achieved a strong lift in production levels per hectare in recent years

Two years ago Simon was the proud recipient of the inaugural Mac Nichol Award for best young summerfruit grower, recognising his contribution to improvement, innovation and quality in the industry.

It is an accolade he readily concedes was due as much to the efforts of his forebears





Strawberry Fields delivers sweet success for consumers

The ability to grow some of the country's best-selling strawberries in a competitive seasonal market stems from a passion for the industry and on-farm teamwork, says Darien McFadden of Strawberry Fields.

ocated close to Hamilton, Darien's six-hectare property produces over 250 tonnes of fresh strawberries each season, graded and packed on-site and mostly sold in regional markets.

The free-draining sandy loamy soil makes it ideal for strawberry production, with field configurations enabling individual rows of 380m metres - amongst the longest in New Zealand.

After leaving school Darien spent a decade working in the appliance retail sector before joining his father, Terry, on their family's strawberry farm in the early 1990s.

"With Dad's guidance I got first-hand practical experience of the entire business, including planting, picking, packing, spraying, supervising staff and transport to market," he says.

"They were long hard days, especially over the peak summer season, but that is how I learned all the necessary skills. My passion for the business of producing strawberries was also growing."

By the late 1990s Strawberry Fields had become a substantial berry fruit supplier for local and international markets. It then moved to its current location and a custom built state of the art pack house on the property for strawberry processing.

The change was a result of Darien's determination to reduce costs and maximise income by improving on-farm operating efficiency, staff procurement, product quality and plant varieties for enhanced flavour profiles.

"We wanted to provide consumers with a great strawberry eating experience on a consistent basis, so we had to strive to be the best at what we did," he says.

"Over time we encountered difficult export trading conditions, which encouraged us to focus specifically on local and regional market opportunities.

"In this respect MG Marketing helped us considerably to expand and benefit from repeat sales, with a good understanding of buyer expectations."

Food & Safety group training and a heavy in-house focus on hygiene standards

Along with the orchard manager, Didar Virk, staff undertake careful selection and extensive training for the 50 or so pickers and packers employed each summer

Mostly from overseas on short-term visas, the itinerant nature of the workforce presents challenges in terms of communication, team building and personal commitment.

"We encourage a strong sense of everyone being part of the family and sharing a co-operative spirit across all our activities," Darien says.

"While housing and transport are their own responsibility, we give each worker the guidance and practical support they need. Importantly, we also promote an enjoyable social network for everyone's sense of well-being.

From October through March and particularly in November and December, it is a case of "all hands on deck" as pickers, graders and packers deal with soaring volumes of daily production.

While picking and sorting tasks are highly labour intensive, Darien has invested in modern packhouse systems and equipment to enable efficient automated packing methods. Retail packs include multi-sized lidded punnets with individually placed fruit, cellophane-wrapped packs in traditional style, and large plix packs containing 42 premium long-stemmed berries.

"Whether for single buyers or major customers, product presentation is hugely important and certainly no less so than freshness and flavour in the eating," Darien says. "From the moment the berries are picked to their handling in the packhouse and through the cool chain to market, quality control is our overriding consideration

"Without this attention to quality at all levels of our work, we simply would not be where we are today."







Grower meetings an opportunity to share in plans for success

uring July and August this year MG Marketing will host a series of grower shed meetings across all its supply regions in the country. Venues and dates will be provided well in advance and I encourage every grower and supplier to attend these forums.

Grower shed meetings are valuable for communicating what is occurring within your co-operative, as well as discussing key industry issues.

This year the meetings will include an overview of MG's performance and its associate businesses, looking at key areas of development and focus over the next 12-18 months.

They also present opportunities for growers and shareholders to share thoughts and ideas so that collectively we can improve business processes. One recent initiative, the MG Direct concept, has proved to be very successful as a category management and supply chain tool throughout the South Island

Categories now transacted through MG Direct included: the full greens category, berryfruit, summerfuit, hothouse and pumpkin. The concept enables MG and grower-suppliers to retain greater control of both quantity and quality of produce, leading to consistently better results over extended growing periods.

Moves to expand categories in more sections of the retail market are underway and further progress is expected to be made as and where appropriate.

Across the country, summer and autumn have proved highly productive for all produce categories and especially in the Auckland and Christchurch regions, where volumes and revenue increased substantially.

While such strong growth has created operating pressure on storage and distribution activities, MG branches have performed very well and past decisions to expand facilities have been

With over three-quarters of the year behind us. the outlook is for a very positive full year of trading in the domestic marketplace.

Likewise, MG is making good progress expanding produce lines for export sales in tandem with our joint venture partner Te Mata.

Beyond traditional apple exports, opportunities for expansion into other export categories now include greens such as cabbage and leeks, root crops such as garlic and shallots, and avocado, citrus and cherry lines.

This added market diversity offers growers not only more sales opportunities, but also extra earning capacity, provided planning is conducted properly and in close conjunction with MG Marketing and Te Mata.

I hope you enjoy the contents of this issue of SupplyLine, and take a few moments to learn what others in our industry are doing with enterprise and enthusiasm.



BRANCH PROFILE

Nelson branch is small, but achieves big results

With just nine full-time employees MG Marketing's Nelson branch at the top of the South Island is a small operation, but is achieving excellent business results.

n recent years the regional facility has substantially improved both volumes of produce traded and net earnings, with fewer staff than six years ago.

Branch manager Jamie Russ, who took over in 2009, attributes the performance to ongoing service refinements, teamwork development and logistical efficiencies.

"Our systems and processes are certainly more productive, resulting in lower operating costs and ultimately better returns for growers," he says,

"We have a continuous improvement programme in place covering everything we do, from storage and transport to sales and distribution.

Recent growth has been noticeable in locally produced hothouse categories such as tomatoes, capsicums and cucumbers, as well as in greens such as lettuce and brassicas, Jamie says.

The Nelson region, traditionally known for pip-fruit production, has also been rapidly diversifying into niche produce categories that offer good sales value potential.

"Besides traditional produce lines, we have seen growth in specialty crops such as kale, celerac and fennel, plus blueberries and even sub-tropical feijoas.

"The local picture is one of a diversifying industry, with a relatively few large-scale growers and many smaller specialty suppliers responding to changing market trends." He says the branch team is highly experienced and able to handle many

co-ordinated tasks to ensure customers benefit from quality and continuity throughout the supply chain.

"Our small size means we do need to be competent generalists, able to understand and respond to all aspects of the business.

"My own background started in stores, then in various sales roles for MG in Nelson and Auckland before returning here to manage the branch operation.

"Our sales representatives Mike Wagner and Shane Scott, plus warehouse manager Alex Hirsler, are all similarly experienced in their day to day roles.'



Even the previous branch manager, Errol Hattersley, continues to take a work interest in the operation and helps out in the office on a part-time basis

Being physically located away from major routes between the country's trade centres, moving produce into and out of the region is not without its problems.

"Reliable transport links are critical for our success and we rely heavily on road transport services to keep our supply lines open," Jamie says.

"A couple of recent winter road closures threatened to play havoc with inward and outward deliveries - but we managed to make the grade."

No doubt this positive "can-do" attitude and close-knit co-operation amongst staff is what makes the Nelson branch the success it has become.





INDUSTRY EVENT

Trans-Tasman collaboration yields first-ever

PMA Fresh Connections in New Zealand

PMA Fresh Connections – the premier conference and trade show for the fresh fruit, vegetable, and floral supply chains in the Australasian region – is set to create an unprecedented global business-building hub of fresh produce buyers and sellers in Auckland when it heads to New Zealand for the first time, 24-26 June 2014.

The result of a unique collaboration between the Produce Marketing Association Australia-New Zealand (PMA A-NZ), Horticulture New Zealand (HortNZ), United Fresh (UF), and The Australian Chamber of Fruit and Vegetable Wholesalers (Australian Chamber), the event will incorporate HortNZ's longstanding annual conference and is expected to draw up to 1000 delegates and over 60 exhibitors from across New Zealand, Australia and around the world

From cutting-edge technology, to the trends set to shape the future of the global fresh produce industry; speakers at PMA Fresh Connections will provide delegates with the tools they need to innovate, collaborate, and thrive.

Plenary speakers include Allan Ryan (Hargraves Institute), who has devoted his career to helping companies harness innovation and collaboration to achieve real competitive advantage; and Professor Salah Sukkarieh (University of

Sydney), an international expert on field robotics and intelligent systems, who will explore how technology will shape the fresh produce industry in the next decade.

Jim Prevor (Produce Business), a.k.a. America's "Perishable Pundit", will share his insight on global consumer trends; while Anthony Barbieri (PMA Global) will explore the role of the Asia-Pacific region in today's global fresh produce industry.

Additional plenary and smaller concurrent sessions will address topics including traceability, integrated food systems, supply chain collaboration, negotiating, specialty produce opportunities and more.

"That we can attract this caliber of presenters demonstrates the high quality of this event and the global importance of our region's fresh produce industry, "said Michael Worthington, CEO of PMA A-NZ.

A post-conference tour to the Pukekohe growing region on 26 June will give delegates the chance to visit top fresh produce companies including Compac Sorting Equipment, Snap Fresh Foods' growing operation, South Pacific Seeds



warehouse and seed treatment facility, AS Wilcox & Sons pack house and growing plantations, and Plant and Food Research. A tour of leading retail outlets will be held on 24. Inne

Numerous social events such as the Welcome Reception, Welcome Breakfast, and perennial favourite the PMA Fresh Connections gala dinner provide a plethora of networking opportunities, while the conference's trade show hours have been extended this year in response to delegate demand.

For more information and to register, please visit

www.pmafreshconnections.com.au \

Case Study: MG Marketing

"We look for support partners who are the best-of-breed in their field. For us, 2degrees is best-of-breed in mobile."



Chris Hibbert, Chief Information Officer, Market Gardeners Ltd

WHY IS MOBILE IMPORTANT TO YOU?

Mobile is important to us because a large number of our employees operate with a laptop and cellphone. They need access to a good 3G network for both voice and data.

WHAT MADE YOU DECIDE TO MOVE TO 2DEGREES?

2degrees ticked all the boxes for us. They were very responsive during the initial negotiation phase, very upfront and the plans they offered saved us a lot. On the day of the switchover, my IT team were geared up to spend the entire day, and the next if need be, making sure everyone came across OK. But the whole process took less than an hour – it was fantastic!



WHAT IS THE MAJOR IMPACT 2DEGREES HAS MADE ON YOUR BUSINESS?

2degrees has given us the ability to provide our staff with a reliable voice and data solution, and do it with cost savings. In addition to that we have an agreement with 2degrees that will give all of our growers who move to 2degrees the ability to speak to one another and MG Marketing for free, with a Free Calling Group. It is amazing value and helps all aspects of our business communicate together for no extra cost.

To learn more about how 2degrees Business could help your company and to join the Free Calling Group. contact Jason Carter on 022 200 0241, Jason. Carter @2degrees mobile.co.nz, or visit our website.





About PMA Fresh Connections

PMA Australia-New Zealand, Horticulture New Zealand, The Australian Chamber of Fruit & Vegetable Industries, and United Fresh (NZ) are combining forces to make PMA Fresh Connections 2014 Conference and Trade Show in Auckland the largest networking, educational and business building event for the entire fresh fruit, vegetable and floral industries throughout Australia, New Zealand, and the Pacific Rim.

Held annually in cities around Australia since 2010, the first-of-its-kind event for New Zealand will incorporate the long standing HortNZ conference in 2014, and unite each host organisation's local and global communities spanning all segments of the supply chain including seed companies, growers, packers, wholesalers, retailers government agencies, industry service providers, and many more.

Based on the highly successful PMA Fresh Connections events run by the Produce Marketing Association in the US and around the globe, PMA Fresh Connections 2014 will be sure to inspire, impress and address the key issues affecting our industry.

For more about the speakers and to find out how you can innovate, collaborate and thrive in 2014, please vis www.pmafreshconnections.com.au

