

GROWER PROFILE

**HINEMOA QUALITY
PRODUCERS LTD**

USHERING IN THE NEXT GENERATION



Vikki, Chris and Tom Nicholson

In the small Waikato town of Pukekawa, near the lower Waikato River, Chris and Vikki Nicholson, along with son Tom, work the rich volcanic soil, growing quality potatoes and onions, as well as barley and cover crops.



↑ MG Representative, Irshad Khan with Chris & Vikki Nicholson

Chris and Vikki have been at the helm for 30 years and family is at the heart of their business. The 283 hectare farm was first purchased by Chris's grandfather, Charlie, back in 1945 and later handed down to his parents, John and Claire.

Succession planning is a challenge that is facing the industry today. Within horticulture, many of our strongest businesses are created when members of the family are active within

the operation and a pathway is created for intergenerational ownership.

The Nicholson's are a great example of how families can create a strategy for their future by setting up simple structures, processes and having clear communication.

At 22 years of age, Tom has been involved in the industry his whole life. A young-man of few words but of high standards, he is the fourth generation to be involved in the business.

"Interesting enough, it was an MG organised course called Growing You that first got us thinking about succession planning," says Vikki. "It really opened our eyes to what we need to do to plan ahead to ensure there was a smooth transition."

"Tom was born and bred on the farm. There's clearly an enthusiasm for growing - when his mates were swimming and fishing over summers, he spent a lot of that time working on the farm."

"We understand that older generations find it difficult to openly talk about the future and we learnt a lot from our own experience going through succession with Chris's parents. As such, we're very determined that we would be open and up-front with Tom, as well as our daughter Julia who is less interested in farming but needs to be kept up-to-date."

An important part of succession for the Nicholson's was creating an environment where Tom could succeed and thrive. This

included encouraging him to spend time away from the business at school, university and working on another farm, as well as making sure Tom has the opportunity to have life experiences other young men his age enjoy.

"When Chris was young, he was paid peanuts but was expected to work every available hour," says Vikki. "We look back at when we were both starting out and there were a lot of summers where we'd never get off the farm."

"It's important young people feel valued and that includes getting paid what they're worth and afforded some flexibility to do the activities that normal young Kiwis do, like go to concerts - live a bit."

"He's still young but has been involved in the business a long time so is given responsibility for key jobs. When we're not around he runs tool-box meetings and he's managing our recruitment."

"However one thing we've instilled is the value of our staff. We've always had a philosophy that there's no job you'd ask one of our team to do that you wouldn't do yourself. So, if it means getting a spade out and clearing out a silt trap or digging a trench, then that's what we do."

Chris highlighted that operating conditions over the past few years have been difficult for the business, relying on a team effort to navigate through successfully.

"The unprecedented lockdowns over the last two years which had Tom stuck at home several times and unable to return to university, which meant managing his studies online," says Chris

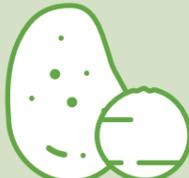
"It was also a challenging time on-farm with staff having to navigate border controls daily and as essential workers some creative thinking was required. Over the family dinner table we got our heads together and solutions were thrashed out."

Rather than dwell on the negatives, Chris takes a positive outlook for the future, saying, "people have to eat and we can provide fresh produce - it helps that we're in a good spot,




Pukekawa

**Crops grown
across 283 Ha**



**Main crops grown:
Potatoes, Onions**

being only 45 mins to Hamilton and Auckland markets."

Working in partnership with advisors is also important, including MG.

"MG is our biggest customer going back at least 15 years. The team are great, talking to us pretty much every day," adds Vikki.

"From the point-of-view of a company, they're really well organised with excellent communication, particularly through the COVID period."



↓ MG Representative's Irshad Khan and Neil Bridgens with Vikki, Tom, Chris Nicholson



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MG PROCUREMENT TEAM OVEVIEW.

Securing value for our growers' produce while creating opportunities for their growth

MG's procurement team provides an important link between grower-suppliers and the co-operatives branch network. They're a grower's first port-of-call for key information about supply, market intel, MG's online delivery advice system and other material about MG, such as how to become a shareholder.

Empowered to focus on understanding our growers' operation, the MG procurement team help growers develop their business, and improve returns for them through industry knowledge and an understanding of the demands of the retail market.

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"The focus of our procurement team is our growers' sustainable long-term viability," says GM Domestic Procurement, Roger Georgieff.

"Over many years we've shown that there's significant long-term value to be gained by working in partnership, not only to find a market for their produce but to add value to their operations more generally."

"We have a highly experienced team, who are always willing to connect with our growers on a range of matters from where best to send their product through to information about compliance requirements and general business guidance."



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DEALING WITH HORTICULTURE'S PERCEPTION PROBLEM



Unfortunately, horticulture has an issue with perception, with many New Zealanders holding an outdated view of the industry. This results in bright, young people not signing up to undertake training that would take them into careers in the sector.

Speaking about the issue, Massey Universities College of Agriculture and Environment head Professor Paul Kenyon said that the university is not getting the number of students through

their doors that the industry is demanding with historical negative perceptions about horticulture being a key reason for low uptake.

"This is because in the media they just see the low paying jobs, the pruning and picking, and don't realise there are professional opportunities in the industry and that is an issue," says Kenyon.

Kenyon says Massey has been doing a lot to try and attract the best and brightest to

undertake a hort degree that would see them end up in a well-paid, exciting and fulfilling career. He explains that Massey has been trying to work with high school teachers – through the Horticultural and Agricultural Teachers Association, as well as going to the schools and talking to potential students and telling them about the opportunities there are in the sector.

"We are also trying to break down some of these historical perceptions, which has always been that kids who are not so academically minded should do horticulture at school," Kenyon adds.

"That is not what the industry wants. They want smart kids to realise the opportunities in horticulture at high school and later do some tertiary education and then make horticulture their career choice."

Kenyon says all Massey degree courses, including horticulture, have a range of papers which highlight the directions that students can take in their future careers, such as agritech, finance and food technology.

While it is a challenge to change perceptions with teachers and parents, there has actually been an increase in the number of secondary schools teaching agriculture and horticulture.

"This has grown from a very small base from a handful of schools to almost 100 teaching it in some form," says Kenyon.

"We just need to get those kids that are doing this to progress their education through to tertiary level, so they can go on and make significant impacts in the horticulture and agricultural industries."

There needs to be more support to increase participation for those who haven't traditionally worked in the horticulture industry, including the support of government agencies to achieve the outcomes needed to meet current and future demand. Individuals and businesses can continue to drive change by working together to advocate on behalf of the industry and work together to enhance the profile of horticulture in New Zealand.

Content adapted from a Hort News publication. www.ruralnews.co.nz

PUBLIC SENTIMENT TOWARDS GENE EDITING

One of the biggest changes on the horizon for New Zealand food production is gene editing using CRISPR or advanced breeding.

CRISPR: A technology that can be used to edit genes by finding and altering a specific bit of DNA inside a cell.

Advanced breeding: Breeders identify and tag desirable characteristics within a plant genome and use this information to cross-breed and create better performing crops.

It is clear there are conflicting views and there needs to be a conversation and more education in this space. In recent years, there has been an increase in genetically modified (GM) crops and the products derived from them.

This has been accompanied by some concerns over safety and vocal opposition by some groups. Brands and growers are therefore going to be careful in approaching gene editing conversations.

New Zealand research firm, Research First, conducted a national survey which provided insights to indicate what the consumer wants from its food producers.

The results highlighted the mixed views with a third of New Zealanders saying they would support GM crops being grown in New

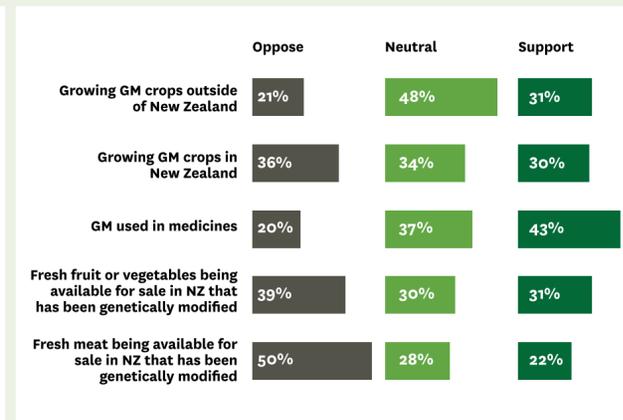
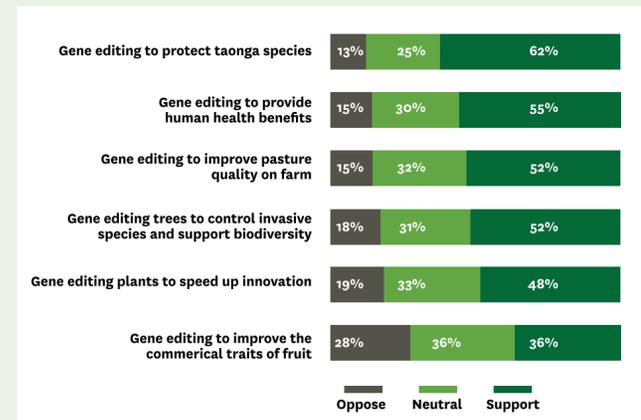
Zealand. Public support for gene editing in New Zealand food production came in at 32% for, 47% neutral, and 21% against.

The reasons FOR support focused on:

- Improved yields as demand increases
- Providing resilience to climate change, pests and diseases (and lower needs for pesticides, fertilisers and water use)
- Ability to produce nutritionally richer foods
- Potential to reduce cost to consumer and increase shelf life
- Belief in the science behind the process
- Just a lack of reasons not to

Reasons AGAINST focused on

- It not being natural
- It not being necessary
- Lack of information on the long-term effects (both to human health and to the planet)
- It being a mis-match with NZ's 'clean, green' image



STANDPOINT.



MANAGING YOUR OPERATION THROUGH A HIGH-COST ENVIRONMENT

Economic conditions continue to change at an alarming rate. Inflation is high, the cost of wages is increasing, interest rates are trending upwards and supply chains have never been more constrained, leading to higher freight prices.

One thing our industry is renowned for is being agile and adapting to change. While some sectors will look to ride-out the challenging economic period, the businesses and individuals in our industry will roll up their sleeves and get on with the job. We're also good at looking for ways to work smarter and manage costs by getting more out of the existing resources

Every business has their own way of managing a high-cost environment. At MG, we are continuously looking at ways to be more productive. We use data, such as financial reports and operational information, to understand where our costs are allocated and highlight areas where we can make efficiencies. The information enables us to have the right level of accountability and track progress so we can fully understand the impact our decisions have on our productivity.

When it comes to reducing costs, we make sure we focus on areas where there's possible waste or areas that are not critical to the business. We believe it's important not to compromise our long-term business strategy for a few short-term benefits that may hurt our business in the future.

I can assure you the team at MG are acutely aware of the impact that rising expenses are having on your operation. The cost of doing business is a challenge that we're facing too. As I've mentioned many times before, MG is more than

a link in the chain - we see ourselves as an extension of the growing operations we work with. As such, we have never been more focused on working alongside our family of growers to effectively navigate through the current economic challenges.

100 Year Celebration

While we're focused on the future at MG, in the next 12 months we'll be spending some time on the past. On 5 November, MG turned 99 years old, marking the start of our 100th year of operation. That's something few New Zealand companies, and even fewer produce wholesalers, can claim. There is a lot to celebrate and recognise and we look forward to sharing more about our formal celebrations next year.

Together. Stronger.

® Together.Stronger.

Peter Hendry
CEO



MG TRUST EDUCATION FUND 2023



In 2021 the MG Charitable Trust (MG Trust) launched a \$20,000.00 Education Fund.

The fund was established to align with the MG Trust's objective to help build capability within the industry by providing opportunities for people to enhance their skills in areas such as leadership, business planning, people management and financial analysis.

Feedback from the growers who received a \$5,000.00 subsidy to attend the 2021 Rabobank Farm Managers Programme was overwhelmingly positive.

For 2023, the Trustees are continuing to offer a subsidy to attend the Rabobank Farm Managers Programme while also expanding the Education Fund to include a subsidised place on the highly regarded Rabobank Executive Management Programme. In addition, the Trustee's agreed to fund up to two full registrations for the World Avocado Congress, targeting growers from outside of the avocado sector to attend the event.

Rabobank Executive Management Programme \$15,000.00 subsidy

20 - 25 August 2023 and 21 - 26 July 2024, Sydney

Rabobank Farm Managers Programme \$5,000.00 subsidy

18 - 23 June 2023, Christchurch

World Avocado Congress Full registration + expenses 2-5 April 2023, Auckland

From more information about the opportunities above, including how to apply, visit the MG Trust webpage

www.mggroup.co.nz/mgtrust

↑ David Webb, Jasmine Franklin, Will Juhl and Ryan Fong attended the 2021 Rabobank Farm Managers Programme.

SOCIAL PRACTICE CERTIFICATION - A REQUIREMENT FOR MG SUPPLIERS

Social practice certifications are used to show domestic and overseas markets that growers are meeting their legal requirements for employment, wages, worker welfare and immigration. The social standards linked to certification also include working conditions, forced labour, fair labour practices and health and safety.

MG is making it a requirement for all growers currently supplying our co-operative to have a social practice certification. MG strongly urges all growers to take steps towards getting certified if they have not done so already.

NZGAP is offering a Social Practice Add-on as part of their assurance programme. Alternatively, growers can obtain a Global G.A.P. GRASP or SEDEX/SMETA certification.

