

SUPPLYLINE



NEWS FROM MG MARKETING

GROWER PROFILE.

OAKLEYS PREMIUM VEGETABLES LTD

GROWING A SUSTAINABLE BUSINESS

Oakley's Golden Gourmet potatoes are a well-established Kiwi staple. Other crops grown across 450 ha of land in Canterbury are broccoli, pumpkin and beetroot while maize wheat and grass are grown as break crops.

Oakley's is a well-oiled operation and a great example of taking a measured approach and consistently doing things well. This is largely due to the fact that farming practices have been carefully handed down through five generations, with each taking great care and responsibility for their respective businesses, including a focus on the environmental, social and economic wellbeing.

The family legacy is now in the hands of Robin and Shirleen Oakley who own and operate Oakleys Premium Fresh Vegetables Ltd, along with daughter April (budding 6th generation), who has marketing and development responsibilities.

By successfully combining the elements of responsible water use, soil health, scientific research and monitoring, environmental stewardship, community engagement and financial planning, Robin and his team have taken sustainable farm management into a new era.

"We take a three-prong approach to sustainability," says Robin. "This means we not only focus on the environment but also the social and economic aspects. We recognise that unless we can thrive as a profitable business, we can't take care of the other areas."

"Our work with the community and our people also play an important role", added April. "We've completed a lot of work on our mission and our vision lately. It's been something we see as an important part of a well-rounded approach to sustainability and worth focusing on."

In fact, Oakley's is through to the Canterbury regional final of the Ballance Farm Environmental Awards in recognition of their good farm practices which promote sustainable land use.

While Robin and his team aren't necessarily looking for the limelight, they were encouraged to enter and can see the benefit of showcasing the work they do on-farm.

"I thought it was of great value to the industry to enter because it means there is more sharing of information and we're getting some good stories out there," said Robin.

"We have nothing to hide and want to show how we're walking the talk because it's easy to just say you're sustainable."

"For us, it's not an issue if someone comes along and says that something isn't quite

right because at the end of the day, we're trying to get our business where it should be for best practice."

"Our awards submission is more about highlighting the journey we're on, not that we're perfect, but that we're focused on continuous improvement."

Acknowledging that no one knows it all, they also monitor international trends, seek external advice and leverage partnerships to support their planning, including the use of technical experts, financial advisors and bending the ear of the team at MG.

"A big part of our sustainability programme is that we're not in it alone," says Robin. "The key to having a successful approach and continually improving is to hear from other people, work with other people and tap into their expertise."

With that said, Robin is quick to point out that external advice and technology doesn't replace the on-farm expertise that his family has built up over 150 years.

"The advice, technology and equipment is only part of the picture, not the holy grail," says Robin. "We still draw on generations of experience, so some of what we're doing now is putting numbers around it to help tell the story and validate reporting and monitoring."

April highlighted an example saying, "when Dad was teaching me about the moisture probe, he felt the soil and predicted the moisture content - sure enough, he was pretty much right."



↑ Robin Oakley with MG Representatives Andrew Body and Ellery Tappin

Information and data collected about moisture content and soil health across each individual block of land has allowed them to regularly set and revisit production and financial KPIs. This includes helping with decision related to the type of break crops used, the number of harvests between rotations, the amount of nutrients added and their approach to irrigation.

"We're collecting all the data provided by the tools and are building our own database so I can create a benchmark and look at the big picture," said Robin. "That's with all the crops we grow, with water and nitrogen being the two biggest influences. Too much or too little of either one is a problem so it's key to get the levels right."

"We've collected data that shows the soil structure on one block that we have operated on for the past eight years has improved in the time we've been growing on it compared to where it's been historically", says Robin. "We think that's pretty cool considering the farming on land we're doing is more intensive."

It is clear the Oakley team embrace the responsibility of stewardship that comes with overseeing the land. When talking about what it means to them, April references a Māori whakatauki which forms part of their philosophy, 'Toitū he kāinga, whatu ngarongaro he tangata', meaning 'while the land remains the inhabitants are gone'. Robin simply says it's about not taking 'a rip shit and bust approach'.

Canterbury

Crops grown across 450Ha

main crop
Potatoes + Broccoli

additional crops
Beetroot & Pumpkin

→ Robin & April Oakley with MG Representative Andrew Body



"We still draw on generations of experience so some of what we're doing now is putting numbers around it to help tell the story and validate reporting and monitoring."

Robin Oakley

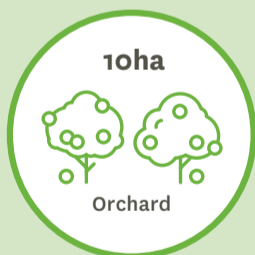
PASSING ON THE BATON

Blair and Mel McLean are about to become 100% owners of Cherrybank Orchard, in Spring Creek near Blenheim. The couple took the leap into growing five years ago by forming a partnership with original owners, Bernie and Trish Rowe, with a view to taking full ownership in 2020.



SPRINGS CREEK
Blenheim

First planted
1985



Bernie and Trish planted apples on the property back in 1985 before slowly introducing cherries and now the 10 hectare orchard exclusively grows 14 different varieties cherries - the oldest trees being 30 years old.

In a part of the world famous for being New Zealand's largest wine producing region, the good quality soil, warm sunny days and cool nights provide good conditions for growing great tasting cherries that are ready to hit the market in the early part of the summerfruit season.

"Bernie and Trish were keen to partner with people who shared their passion for cherries rather than see their years of work be swallowed up by vineyards," said Mel. "We're committed to carrying on with cherries and having shared goals has worked really well for both couples."

For Blair, horticulture is in his veins. He was raised in the summerfruit heartland of Roxburgh, Central Otago, before studying horticulture at university, managing an apple orchard in Canterbury and spending 23 years working as a sales rep for Fruitfed Supplies - a full time job he still does today.

Born and bred in the city and hailing from a corporate background, Mel didn't follow the traditional route into the industry. However, she's brought a lot of transferable skills and gets to do all the paperwork, staffing and compliance.

The couple are now looking to build on the solid foundations that have been put in place.

Their initial plans include reducing the number of varieties from 14 to around six to eight. This decision is based on maximising the pre-Christmas market opportunity, making the most resources that are available in a short window of time, as well as providing the opportunity to complete some replanting using innovative techniques.

"We have late varieties, but not large numbers, so we're focusing on the pre-Christmas period when growing conditions are best in our region," said Blair. "That way we can use all the resources and infrastructure we have available in November and December to efficiently process the fruit in large volumes."

"This includes our workforce, especially the backpackers, who come to us because we're a

step along their way to Central Otago who pick later in the season. We train a few of the Central Otago pickers if you like," Blair jokes.

Replanting varieties that are removed will also allow them to train the new cherry trees in an Upright Fruiting Offshoot method, commonly known as UFO. It's a modern high-density training system that produces fruit on multiple vertical leaders rising from a cordon-like trunk, in a similar way to trellised grapes.

Exporting to the Asian market is also a focus for the business, but a run of wet Decembers has been challenging for the property with the partners making the decision not to send offshore for the past few seasons.

"We set up each year for export but it depends on the quality," said Blair. "Because we hit the export market before our friends in Central Otago, we only want to send good quality export fruit. We don't want to negatively impact on the reputation in that market for the growers who follow."

"We've been lucky to partner with MG who have taken all of the cherries when we're not sending offshore - it a relationship that works well."

For Blair and Mel, the relationship with MG isn't purely transactional, it's a business partnership.

"What we like to do early on is connect with MG and plan the season ahead. MG Procurement Manager Andrew Cross comes to Marlborough regularly both pre-season and weekly during the season. From there we build a bit of a picture and then, once we get into picking fruit, it's about communication - this is where MG is very, very good," said Mel.

"Andrew and I probably talk up to six times a day during the season. We have a great relationship where he gives me his daily "wish list" and our team make it happen (hopefully)."

And what makes it all worthwhile? "The great feedback we get from customers," reckons Mel. "We have a lot of people coming into the shop and we love hearing about the enjoyment they get from tasting our cherries - especially following a year of hard work!"

← Cherrybank Orchard owners Blair and Mel McLean

✓ PackHouse at Cherrybank Orchards

↓ MG Representatives Andrew Cross, Roger Georgieff, with Blair and Mel McLean of Cherrybank Orchards





FUNDING AVAILABLE FOR SUSTAINABLE FARMING PROJECTS

The Sustainable Farming Fund (SFF) is an investment programme managed by the Ministry for Primary Industries. It is designed to back new game-changing innovation across the food and fibre sectors by funding programmes to create more value, develop capability and new practices, and deliver long-lasting economic, social, cultural and environmental benefits.

The funding comes in four brackets ranging from small grants of up to \$100K through to partnerships with a programme cost of in excess of \$5M. MPI will fund up to 80% for projects which are community-driven and up to 40% for projects which are commercially-orientated.

Funding type	Programme cost	Length (years)
Partnerships	Over \$5 million	5 or more
Small partnerships	\$2 million to \$5 million	3 to 5
Grants	Less than \$2 million	Up to 3
Small grants	Up to \$100,000	Up to 1

The fund is open to the horticulture industry but must meet the eligibility requirements, including having long-term benefits to New Zealand (not just your business).

To find out more visit the Funding and Programmes section of the MPI website.



FIRST CALL FOR SUBMISSIONS ON THE PRIMARY PRODUCTION AND PROCESSING REQUIREMENTS FOR HIGH-RISK HORTICULTURE

Food Standards Australia New Zealand (FSANZ) is calling for submissions to consider primary production and processing requirements to address food safety for high-risk horticultural products.

In June 2018 The Australia and New Zealand Ministerial Forum on Food Regulation noted the recent increase of foodborne illness outbreaks in Australia and agreed that there is a need to reassess the food safety risk management of the five high risk horticulture sectors: ready to eat, minimally processed fruits and vegetables, fresh leafy green vegetables, melons, berries, and sprouts.

FSANZ has raised a proposal, Primary Production and Processing Requirements for High-risk Horticulture to consider the development of a primary production and processing standard for high-risk horticulture as part of a broader review of sections of the Food Standards Code.

Submissions are now open and close on 18 March 2020.

Interested parties will have another opportunity to comment in a second call for comment which is expected in late 2020.

More information about the proposal and the submission process can be found on the food standards website - www.foodstandards.gov.au.

ROBYN WICKENDEN STARTS AS NEW MG MARKETING ASSOCIATE DIRECTOR

MG Marketing is pleased to announce that Robyn Wickenden has commenced her role as an Associate Director.

The Associate Director position on the MG Board is designed for those who have an interest in corporate governance and who aspire to director level roles. It allows for the recipient to gain valuable experience by having a non-voting seat at the board table.

Robyn is currently a co-director of Mya Enterprises Ltd, a Tamarillo orchard in Poroti, Northland, and is a supplier to MG Marketing.

She brings specialist industry skills and networks from her experience as a grower as well as her role as secretary of the New Zealand Tamarillo Growers Association.

Robyn also has business accounting expertise, having worked in-house for a number of leading technology companies.

“I am delighted to be appointed as an Associate Director and am looking forward to gaining an insight into good governance practice and learning more about the dynamics of sitting on a board”, said Robyn Wickenden.

“I’m also looking forward to building on my skills gained as a corporate accountant.”

Robyn attended her first board meeting on 31 January 2020 and the Associate Director role will run for approximately 12 months.

↓ Robyn Wickenden (right) and co-director of Mya Enterprises Ltd Aaron Davies (left)



A SOLID STRATEGY FOR A CHANGING WORLD



It's 2020 and we can be sure that the world at the end of the next decade will be quite different from today.

Therefore, it is critical that we have a forward-thinking strategy that maintains our position as a leading supplier of fresh produce.

While we cannot envisage all the challenges ahead, MG will continue to be directed by our six pillars – Resilience; Value; Partnership; Co-operative Behaviour; Growth; and Capability.

Our strategy is built on the back of more than 95 years' experience and has been developed with our growers, customers and consumers in mind.

MG already has a well-deserved reputation for our excellent team who provide a level service to growers and customers that meets or exceeds their expectations. Our strategy is developed to withstand changes in the sector and sustainably grow our market share, while maintaining the quality for which we are renowned.

The key to our long-term success is evolution, being able to find new ways to do business and new markets

to operate in. The ability to realise opportunities has enabled MG to remain relevant, to provide a key service for grower-suppliers as well as grower-shareholder returns over the long-term. We've achieved this with a succession of strong leaders, good people, and a preparedness to undertake, from time to time, bold initiatives.

MG's investment in the JS Ewers growing operation is a good example of how our strategy has evolved and proven successful for the co-operative. We see a direct relationship between the market share we have grown on the back of owning JS Ewers and values we have been able to secure for all growers who also supply MG in those categories.

Our carefully chosen greenfield investment in Kaipaki Berryfruits Ltd provides us with further growth options. The berry fruit category is transforming with new technology and growing practices creating greater efficiencies and higher values. This investment provides MG with the opportunity to be part of a

MG's core purpose is to grow the overall wealth and profitability of the Co-operative, it's shareholders and growers, through relevant initiatives while maintaining co-operative principles. Together. Stronger.

modern and sustainable growing operation, where high quality berries are grown in a controlled environment. This is a joint-venture in which MG owns 100% of the property company and leases those assets to Kaipaki Berryfruits Ltd. MG also owns 50% of the berry fruit growing operation.

As we have seen in JS Ewers, if you get the growing operation right, you can create a platform that enables us to grow category demand and enhance category value for all growers. This also helps customers as we are able to provide a steady supply of produce at key times of the year.

It is important to note that we have made these and other strategic investments while growing the business and providing returns to our shareholders.

Collaboration and partnerships are also a key focus of our strategy, whether with our growers, customers, partners in growing operations, the communities that we work in or government

organisations – working together is the best way to realise opportunities and overcome challenges. Working in partnerships ensures the safety, sustainability, reliability and stability of our operations and enables all of our industry to prosper.

The world is changing and MG is changing too. While we set out a strategy to help guide us in the next few years, we acknowledge that we do not always know where the new challenges and opportunities will be. What we do know is that we have outstanding people and we have built an agile, adaptive and resilient business that is ready for whatever the future holds.

® Together.Stronger.

Peter Hendry
CEO

AVOIDING LIFTING INJURIES

Working in a growing operation can be a very physical occupation and workers can injure themselves by lifting heavy loads such as crates, fertiliser, posts, equipment, and also while handling produce. Most manual handling injuries on growing operations involve the back and weight-bearing joints. Back pain has been reported to be one of the most debilitating conditions and can impact on every facet of your life.

Providing a healthy and safe workplace is essential. The best approach is to avoid lifting items that are large or overly heavy. If you must lift them, it is important to use your legs (not your back) and keep the load close to your body. Also remember to give your body a break between lifts.

Managing risks related to lifting is a conscious decision. One of the most important steps you can take is putting some time and effort into acknowledging there are risks, identifying them and planning how to manage them.

WorkSafe outlined some key points to consider when preventing handling injuries on farms, orchards and packhouses:

- Workers must be trained in correct techniques for manual handling jobs
- No one should lift something that is too heavy for them
- Lift with the legs, not the back (Re)design the workplace to minimise manual handling hazards
- Use mechanical/lifting aids where possible
- Plan regular breaks

MG has initiated a project to look at reasonable crate weights and will be looking to standardise sizes where it practically achievable. More information about the project will be provided to grower-suppliers later in the year.



UNITED FRESH PREDICT TOP FRESH PRODUCE TRENDS

New Zealand produce industry body, United Fresh, have announced the top fresh produce consumption trends it expects to hit New Zealand in 2020.



At the top of the list is a shift towards plant-based diets. Despite studies showing only 6-7 per cent of New Zealanders identify as vegetarian or vegan, United Fresh are expecting more market offerings that will “test our desire for lab grown meat and new innovative blends (like grains and mung beans)”.

With New Zealand's zero carbon bill coming into effect in 2020, United Fresh have identified sustainable and regenerative agriculture to become more important in the industry. It's anticipating consumers will seek out brands that support regenerative practices, which includes the reduction of unnecessary packaging.

The advent of new, small store formats is expected to make a mark both with local corner-store grocers and multinationals anticipated to enter the suburban markets.

Convenience has long been a key focus for consumers, and ready-to-eat, healthier options will eventually be available at

on-the-go places, like petrol stations, according to United Fresh.

The rise of the ketogenic diet is expected to bring banana flour into prominence, alongside cauliflower flour and the already established alternatives, almond flour and coconut flour.

Another key element listed in the food trends is ‘Instagrammable food’ – or produce meals that can be photographed and shared online. While new social media platform, TikTok, is likely to have a big influence on the market as well.

Finally, a sense of adventure is a theme expected to play a big role this year. Consumers that want to get out of their comfort zone will be looking to try new flavours and textures, often from different cultures.



United Fresh
New Zealand Incorporated