

NEWS FROM MG

GROWER PROFILE BELLS PRODUCE LTD

## A BUSINESS THAT KEEPS ON GROWING



Nestled between Ahipara Bay and the Awanui River near Kaitaia, Bell's Produce is perfectly positioned to grow the very best fruit and vegetables nature has to offer.

The operation is run by one of the former owners of Bells Produce, Johnny Reed. It grows 40 hectares of early season kumara, 23 hectares of mandarins along with a smaller area of melons, corn and pumpkins, as well as stock feed.

Johnny started working at Bells Produce 28 years ago, alongside his cousins Jeffrey Moore, Allan Bell and Nick Bell. Three years ago, the

business partners decided it was the right time to sell the property to Te Rūnanga o Te Rarawa (Te Rarawa).

"Our whole family has been involved in horticulture," says Johnny. "I'm a Reed but we're all related - we're one big family."

"We sold our small place in Kerikeri and I moved up here to join forces with Alan, Nick and Jeff. After starting off fairly small, we grew bigger and bigger and I'm pretty proud of the business we've developed."

"Together we'd achieved so much but there comes a time when you need to change your lifestyle so the decision was made to sell the business to Te Rarawa."

"Part of the agreement was for me to stay on. It's a great opportunity - I love this place and still have a real passion for the business and the people here."

"The best piece of advice I ever received was that with farming you get out what you put in and I still have plenty I want to achieve"

Johnny admits that the transition took some adjustment, as he's now more involved in all areas of the operation.

"An important part of our success over the first 25 years was the way we looked after different parts of the business but were all working together at the same time," says Johnny.

"My main role for 25 years was overseeing the machinery, trucking, spraying and operational side of things."

"Our accountant joked that having four family members working together for so long without killing each other was a miracle. For us it was just normal - everyone did their job and no one let anyone else down."

"It has been quite energising to be more involved in packing, marketing and the people side of things. We're developing some really good capability in the business with young people coming through."

"Daniel Masters has brought new ideas and made a real difference and we're looking to employ more young talent in the business. A big part of my role is helping these guys out and stepping back a bit to let them take more control."

The location, its historical success, its potential for growth and the fact it's a large employer were all factors that made Bells Produce an attractive investment for Te Rarawa.

"Te Rarawa are proud to be involved in horticulture and are keen to expand this part of the business," says Johnny. "Over the past 12-18 months we've already grown significantly by relocating one of their farms. We're currently growing around 180 hectares of stock feed to support the neighbouring dairy operations."

"We've all worked together well to keep developing the business. There's been some healthy debate along the way, but it's always been really constructive."

Bells is renowned for supplying some of the best quality early season kumara and mandarins in the country. They benefit from excellent growing conditions and a temperature that allows them to produce during windows when the market is short.

"Kumara is our bread-and-butter - it's the backbone of this business," says Johnny. "I grew it when I was in Kerikeri and it was the first thing I put in the ground when I came here."

"We added mandarins because they fell outside the kumara window, giving us really good continuity while corn, pumpkin and melons give us other opportunities and allow us to make the most of the land we have available."

"Having a year-round operation means we can make a commitment to our people by giving them work for 52 weeks of the year."



Crops grown across 200 Ha



Main crops grown:  
Kumara, Mandarins,  
Melons, Pumpkins & Corn



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Bells Produce have been on this land as long as they've been supplying MG and value the relationship with key staff such as Marketing Representative Alan Wake and Procurement Manager Neil Bridgens.

"Having Neil here in Northland to support the business during the peak of the season has been really helpful," adds Johnny. "It's a big task moving the volumes we're putting through but we're in good hands."

↗ Bells Produce Johnny Reed with MG Representative Neil Bridgens

← Johnny Reed & Daniel Masters with MG Representative Neil Bridgens



## GOING IT ALONE

Jake Brownlie is a good example of how a change in career, along with a bit of grit, determination and patience, can lead to future success.

For the early part of his career, he was employed as a full-time registered property valuer. However, a lifelong goal of running his own business and a strong desire to get out from behind a desk led to Jake and his wife Hayley investing in a small growing operation just north of Napier.

The process to purchase the land started with residential property investment. Then in

2016, Jake and Hayley purchased their first horticultural property while working overseas and planted their first feijoa trees a year later when they returned to New Zealand.

The couple have gone on to purchase two more properties which include five hectares of grapes and an additional five-hectare block of bare land which has recently been planted in feijoas and Nectarines.

Everyone on the planet has the same 24 hours in a day, but what the Brownlie's do with their time is quite remarkable. Jake's wife Hayley, also a registered property valuer, works full time in a property development advisory role. The couple share the load when it comes to the finance and administration side of the business, and Hayley lends a hand on the orchard during critical times.

A fourth-generation grower, Jake has been connected to horticulture his entire life. His parents own an apricot orchard situated across the road and Hayley's parents have a citrus and feijoa orchard in Gisborne. This has provided them with the opportunity to discuss ideas, share resources and is one of key reasons they have been able to get traction in their own business.

"The orchards are completely separate in terms of ownership and what we grow, however, on the operational side the businesses complement each other and we help each other out," says Jake.

"For me, starting our own growing business, it's been beneficial to have access to the plant and machinery used on my parents' orchard. With the price of land, all the gear you need, along with compliance costs, it's nearly impossible to get into the industry."

*"I do it because I have a passion for growing. Our business and our future plans give me reason to get up in the morning."*

And why plant feijoas? It helped that Hayley's parents have been growing feijoas successfully



for many years and were able to pass on their knowledge and support. They also align with the growing season of Jake's parents' orchard and the fact that they're a hardy plant that grows well in the conditions was also a factor.

"Feijoas are relatively low maintenance and that allowed me to keep working in the early stages," says Jake. "When we planted the feijoa trees, I was still valuing property."

"The feijoas are also able to be maintained with no additional implements and can be graded using my parent's apricot grader."

"The timing of the feijoa harvest complements busy periods for the apricots, which means I can chip away at our operation and support their business at the same time."

Being a small operation, without any full-time employees, they've had to think outside the box. One example is the installation of nets to catch the feijoas when they're ripe. "The nets catch the fruit and prevent it from bruising," says Jake. "It's an efficient way of harvesting and means I can manage the harvest without employing any additional pickers."

"It was reasonably expensive to set up, but I've imported a lot of the materials and I did most of the labour myself to keep costs down."

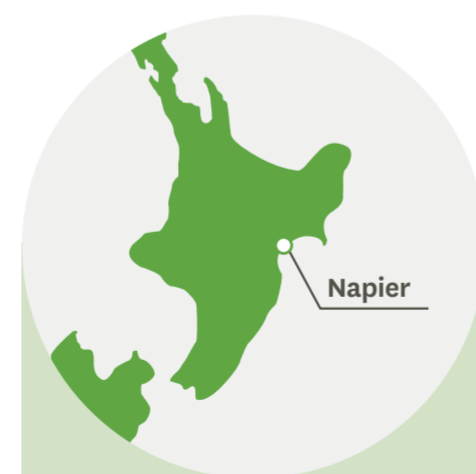
Burnlie Orchards work closely with MG Procurement Manager, Zach Zaloum, throughout the season, distributing the product through MG's network of branches.

"MG take care of the sales and marketing and we don't have any of that to worry about," says Jake. "Trust is a big part of it and they do a good job."

It's only early days, but Jake is excited about what the future might hold. "We harvested 25 tonnes last season off our one-hectare block which is a pretty good volume for this area but not massive in the great scheme of things."

"For us it's part of a bigger plan to work away and grow over time. We figure that if we work hard and take opportunities, keep adding to our property portfolio and sacrifice things now, we'll be better off down the track."

← MG Representative Zach Zaloum with Burnlie Orchard owner Jake Brownlie



### Crops grown



Main crops grown:  
Feijoas

## DO YOU HAVE A SOCIAL PRACTICE CERTIFICATION?

In recent years, social practice certification has gone from being a "nice to have" to mandatory requirement for growers supplying major retailers through MG.

One reason for the growing attention on social practice throughout the supply chain is that consumers are more interested and concerned about practices that exist, such as child labour, forced labour and gender discrimination. As consumers become more aware and informed, they are choosing to purchase from businesses that actively manage the social impacts throughout their supply chains. Put simply, consumers want to know that people involved in food production are treated fairly.

### What is the purpose of a social practice certification?

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.



### Who needs to be certified?

If you are supplying major retailers through MG you must already have a social practice certification.

MG is making it mandatory for all growers supplying our markets to have a social practice certification by 30 September 2022.

### How do growers obtain a social practice certification?

NZGAP is offering a Social Practice Add-on as part of their assurance programme.

The first step for growers who have employees is to visit their website to register and then the second step is to complete the online checklist. If you DO NOT have any employees (either directly or use only contractors) you must still register for NZGAP Social Practice Add-on, however, you do not need to take it any further.

Alternatively, growers can obtain a Global G.A.P. GRASP or SEDEX/SMETA certification.



## UNDERTAKING DUE DILIGENCE ON YOUR CONTRACTORS

When your business is using third-party labour-hire providers it is essential to take into account how workers are treated. It is your responsibility to complete due diligence to check that employment standards are not being breached.

In New Zealand, non-compliance issues can range from contractors paying less than the minimum wages to more serious forms of exploitation such as forced labour.

Using third-party contractors that do not treat workers fairly will have a significant impact on your reputation, your ability to retain staff and can even result in markets and retailers choosing to stop taking your product.

Making sure that workers are treated fairly is essential to the operation of many businesses and will have a positive effect in the health, safety, productivity and wellbeing of workers.

### Practical steps growers can take:

- Use certified contractors (e.g. NZGAP or NZ Ethical Employers)
- Check copies of employment contracts
- Take photographs of all contractor employees onsite
- Request to view payslips
- Talk to contractor employees directly
- Observe behaviour of contractor employees

After the initial checks, you should also continue to monitor your third-party suppliers throughout the life of the contract to maintain that confidence.



## A FRESH CHANGE

Our refreshed brand and logo marks a significant step for our co-operative, reflecting the growth and diversification of our business and the stronger focus we have on enhancing our business profile.

While the co-operative has always been Market Gardeners Limited, it has traded as MG Marketing (MG) for several decades, reflecting the co-operative at the time.

As we approach our milestone of turning 100, we felt it was the right time to reflect on where we've come from and how business has changed over the years. This is particularly relevant for the past decade, where MG has embarked on a significant growth and diversification strategy, evolving into a thriving produce group that consists of a number of complementary businesses.

In developing the new brand, we listened to staff, growers and the wider industry. They told us they wanted to make sure our identity remains connected to the past but also celebrate the fact we're a proud Kiwi co-operative, more clearly link MG to the produce/horticulture sector and better communicate the business we've become.

Our new logo is more obviously related to produce and horticulture and has been designed to represent how the different parts of our group are all interconnected.

It will also help strengthen our presence within the industry and broaden our public profile.





## LACK OF LABOUR HURTING HORTICULTURE

While we grapple with a global pandemic, increasing inflation, geo-political events and raising interest rates, the single biggest challenge for our industry remains the shortage of labour.

The horticulture and produce sector has experienced labour challenges in the past but never as acutely as it does now. This is due to a number of factors, made worse by the impact of COVID-19 and the long period with our borders closed. We are also near the peak of an economic cycle, which is when unemployment is low and wage costs are high.

Beyond the day-to-day impact, businesses are feeling the financial pain of staff shortages. It's having an effect on our sector's ability to get fresh produce to market, increasing the price for consumers and putting a strain on our country's food security.

Most businesses are turning to existing employees to work additional hours and a number of our growers have been forced to reduce their operational capacity and cut back production. At the extreme end, growers are considering leaving the industry altogether.

If things don't improve, we'll have to deal with long-term economic and social consequences.



It's pleasing to be updating our stakeholders in the first edition of SupplyLine designed using our new logo.

It aligns with the growth and evolution of MG, better reflecting the co-operative we've become. This includes the fact we are involved in a number complementary associate and subsidiary businesses as well as being a uniquely New Zealand organisation.

We see this as a positive move forward and signals a positive new era for our co-operative.

It's important everyone across the industry work together and continue to advocate for change in order to address this pressing challenge, not only to solve the immediate issue but to also future proof our access to labour.

There's no silver-bullet. Addressing labour shortages requires a number of strategies. We need better pathways for training, we need to increase participation across all parts of society and we need immigration settings that better support horticulture.

There hasn't been enough planning to identify the current and future labour requirements or enough education to grow our skills base. It's important for young people to be guided towards training and qualifications in areas that are needed most, such as horticulture. Quite simply, education, training, along with immigration settings need to address the needs of the labour market.

It's pleasing to see some reform in the tertiary education and training system, which is aimed at making opportunities more accessible for people not looking to attend universities or other educational institutions. We now need education providers and employment services to be more integrated to successfully transition people into the horticulture industry.

Migrant workers and working holiday makers are a highly valuable part of our labour mix. Providing access to the global labour market is one of the key policy levers available to address shortages and complement our existing workforce. Our industry needs an increase in the immigration intake, especially RSE workers, to replace the skills lost during the COVID-19 pandemic and bolster the number of employees in the future. There also needs to be a reduction in red-tape and an improvement in processing times.

There needs to be more support to increase participation for those who haven't traditionally worked in our industry. This includes the long-term unemployed, young and mature workers, as well as more women.

The industry requires the support of government agencies to achieve the outcomes we need. We can all play our part in advocating for change by continuing to push our case through industry bodies or directly with politicians and government officials.

® Together.Stronger.

Peter Hendry  
CEO



## TWO STALWARTS RETIRE FROM MG



Wayne Hume



Lindsay Francis

Wayne Hume started at our Dunedin branch in 2006 and Lindsay Francis joined our Invercargill branch in 1983. Both branch managers have been the backbone of their respective markets and given many years of loyal service. They have recently chosen to retire from MG.

On behalf of everyone, I would like to thank Wayne and Lindsay for their enormous contribution to MG and the wider industry. We wish them all the best for a well-earned and happy retirement.

The Dunedin branch is now led by Grant Stumbles while David Freeman has taken the helm of the Invercargill branch.

Jade Reeves  
General Manager Operations

## MG TRUST ALLOCATES FUNDING TO SEVEN PROJECTS

The MG Charitable Trust (MG Trust) launched in 2021. It allocates funding for projects that contribute towards the general improvement, capability and profile of the horticulture industry in New Zealand

The Trustees met in June to consider applications and agreed to provide funding to the following organisations.

Organisation	Funding
Kai Rotorua	Sustainable landscaping equipment for a community garden
Katikati Innovation Hort Trust	Horticulture innovation centre development
Ohakune Growers Group	Maintenance and repair to installations at the Carrot Park
Passionfruit NZ (NZPGA)	Development of a research framework for project to overcome soil-borne disease
HortNZ (Voices of the Pacific)	Production of videos and opinion pieces for the RSE conference
Onions NZ	Feasibility study for robotic weeders
Hastings Art & Culture Trust	Delivery of the 2022 Edible Fashion Awards

The next funding round will take place in November 2022 with the deadline for applications being 25 October 2022.

[www.mggroup.co.nz/mgtrust](http://www.mggroup.co.nz/mgtrust)