

SUPPLYLINE



NEWS FROM MG MARKETING

GROWER PROFILE. SUPERB HERB

A FRESH LOOK AT THE HERB MARKET

Since 1974, the Pike family have been pioneers in undercover growing with a sharp focus on developing and enhancing growing techniques. The business is one of continuous improvement, keeping up with the latest technology, and is today widely regarded to be New Zealand's best producer of fresh herbs.



Crops grown across 5Ha

25 varieties of herbs

Main crops
Basil, Coriander
Mint & Parsley

Jim Pike started growing cucumbers, capsicums and eggplants in the family's first one-acre greenhouse in the Henderson Valley. The transition into fresh herbs was instigated by son Charles, in 1980, after a trip to Europe where he was inspired by the amount of herbs he saw on supermarket shelves.

Today, the main growing operation is situated in Parakai, near Helensville, with a team of professionals led by Managing Director Ken Rogers with support from Marketing Manager, Brigitte Hannett. The operation has five hectares of indoor space with consented plans to extend the facility a further 1.7 hectares by 2022.

"We have 25 varieties growing in different environments," says Brigitte. "The best sellers are coriander, basil, mint and parsley."

"We move three tonnes of fresh herbs every week between our 25 cut and 21 living varieties."

Ken explains that the herb growing business is a very technical process these days. State-of-the-art glasshouses give Superb Herb complete climate control enabling them to produce crops all year-round. Their modern growing environment also allows them to produce herbs without using herbicides and very few added nutrients while maintaining a high level of quality control.

"The standard way of growing herbs is in pots in gullies which requires a lot of manual handling," says Ken. "In the past we would have staff seed into trays with two people packing and another person in a forklift palletising and storing. The plants would then be spread out onto the floor and watered by hand."

"We now have a system where almost all of our herbs are untouched until they're harvested."

"The automation at the front-end has a placement robot on the back of the seeder, with one person responsible for keeping the seeder running."

"We are able to track every step from our control room. For example, the system lets us know the relative humidity and makes adjustments accordingly."

"Each table has a number plate guaranteeing accurate traceability all the way through the process, from seeding through to harvest."

"Compared to the traditional way of growing, this set-up is safer, cleaner and more efficient."

There is excellence everywhere you look, from an automated system tilting the screens in the roof to maintain the ideal growing environment through to robot spacers placing the plants with millimetre perfection.

"One thing that hasn't changed is the relentless focus on quality," says Brigitte. "We've always seeded our own pots, so we have control of the quantity and quality of seeds we use."

Ken has a background in marketing and operations from senior roles with Fonterra and Pernod Ricard while Brigitte has more than 20 years international experience in branding and marketing.

"Brigitte and I started at a similar time around six years ago when the business had just expanded into the Parakai site which was set up by the previous owner to grow orchids at the time," says Ken.

"We approached it from a production and efficiency angle and said, right, we have to get some new processes going here, modify some of the systems and use market data to help drive decisions."

"Jim and his son Charles have always been forward-thinking and the development of the new, automated greenhouses, was just another big step forward for us as a business."

"If you think about it, we're actually running a factory. We have a strong focus on LEAN manufacturing and are less of a traditional nursery."

"That has meant retraining our staff in more interesting roles as well as attracting a different type of employee. We have a compliance manager and a supervisor who has come from a manufacturing background to support our teams with production and efficiency."

"We've created a technical development team to help Brigitte, which is led by Charles Pike."

"Charles is a great ideas guy and he's now got experts to work with, such as a mechatronics specialist and a plant scientist."

Brigitte highlights that sustainability is also a huge focus for the business.

"Our teams work non-stop to be sustainable, from the way we manage our use of water, reuse pots through to the packaging materials we use," says Brigitte. "We're lean on waste."

"We are investing in sustainable food production systems for the future," adds Ken. "It's continuous improvement right the way through."

"We are selling our herbs to the four corners of New Zealand, and all the way to Hong Kong" adds Brigitte.

"The MG team are very good to work with, particularly the team in Christchurch, and Wellington and Procurement Manager, Nigel Bridge."



↑ (Top) Managing Director Ken Rogers, Marketing Manager Brigitte Hannett & MG Representative Nigel Bridge
↑ State of the art growing facilities at Superb Herb

→ Ken Rogers and MG Representative Nigel Bridge



↑ Bob, Kaira and Leighton Teal, along with MG Representative Scott Mason

USHERING IN THE NEXT GENERATION

Bob Teal's commercial growing journey began in 1980, after 19 years as a dairy farmer. He jokes that the decision was driven by no longer wanting to milk cows on wet ground.

The change in direction wasn't as complicated as you'd think as he's always had a passion for growing, with his keen interest sparked by his parents who were avid gardeners.

"My mother and father were not horticulture professionals but loved growing and were self-taught," says Bob. "They had an amazing garden, so good it once won the Auckland garden competition."

Bob initially grew asparagus and blueberries when he started Bruntwood Gardens. He also dabbled with sunflowers and maize in the early days, before adding raspberries, blackberries and boysenberries in 1982. Remarkably, some blackberry canes remain from that original planting nearly four decades ago and fruit was picked off them again this season.

Fast forward 40 years and Bob's started to take his foot off the pedal. He has sold 40 acres of land and is transitioning to a less hectic pace of life.

"When I downsized, I was able to create two large lifestyle blocks," says Bob.

While he will continue to grow raspberries, blackberries and Ranui berries (a Auroraberry and Marionberry hybrid), the second block is now home to a separate business called Cambridge Berries, run by his daughter-in-law Kaira and son Leighton.

"This is now our third season running Cambridge Berries," says Kaira. "We primarily focus on blackberries, with around 15 staff working from October to January to help grow and pack."

"Bob's talked for a while about slowing down but now we're running four acres separately, he's really re-energised."

"Up until now we've shared packhouse facilities and worked together to sell our berries through MG Marketing to the domestic market."

"We love having Bob supporting us as he has so much knowledge and experience - we are forever picking his brains."

"He's got so much patience and willing to teach anyone who is willing to learn."

"In the early days Bob was overseas when I was still learning how to hang vines so he jumped on FaceTime and coached me through it."

Kaira also acknowledged the guidance from the MG Marketing Procurement team while they were building their new business, beyond the normal support with marketing their berries.

"The MG team have been brilliant at sharing information about the market, packaging, the supply chain and supporting our small operation," says Kaira.

While Bob claims to have entered semi-retirement by only working a few months a year, the reality is he's still passionate about continuing to evolve his business.

"I did have beautiful Luisa plums that I'd grow for the local market but our labour is finished when we need to harvest so I have replaced them with a blackberry called Taranaki," says Bob. "I'm the only one growing them commercially."

"This year I'll put them under cover and have another two tunnels to build for some Ranui's but I can't do that until the canes are up on the wire."

"That only gives me around a month or so in winter. Mind you, in the past I've managed to construct nine in one year."

Kaira is already thinking further ahead, with two of their adult children currently working in the business.

"We've got a couple of young boys coming through who have worked with Bob for many years and shown a real passion for growing," says Kaira. "It's difficult for young people these days to buy property so we'd love to have them take on this business at some stage and continue Bob's legacy."

As for Bob, he likes the idea of more balance in his life, including the opportunity to spend more time on the golf course and a little less on the property.

"Business is good, it keeps me busy and I still enjoy it," adds Bob. "My golf handicap is all I have to worry about now."



↑ (top) Kaira and Leighton from Cambridge Berries talking to MG Representative Beena Bhana

↑ Bob Teal and MG Representative Scott Mason

↑ Freshly picked Bruntwood Garden blackberries

↓ Kaira and Leighton from Cambridge Berries talking to MG Representative Scott Mason



Cambridge Berries

Crops grown across 1.5 hectares

Main crop

Blackberries and Boysenberries

Bruntwood Gardens

Crops grown across 1.6 hectares

Main crop

Blackberries, Raspberries and Ranui Berries

SINGLE USE PLASTIC SHOPPING BAGS HAVE BEEN BANNED... WHAT'S NEXT?

On 1 July 2019 businesses were banned from providing customers with single-use plastic shopping bags.

Late last year the Rethinking Plastics in Aotearoa New Zealand report was released by the Prime Minister's Chief Science Advisor.

As a result, the Ministry for the Environment (MfE) is now looking at taking further steps towards reducing the amount of plastic in the

environment by moving away from a wider range of low value and hard-to-recycle plastics.

A consultation document, called "Reducing the impact of plastic on our environment" was produced outlining two proposals.



Of particular interest to the horticulture industry is the proposal to phase out non-compostable produce stickers and single use produce bags.

PROPOSAL 1 focuses on phasing out plastics such as PVC and polystyrene food and beverage packaging, all other expanded polystyrene packaging, and oxo-degradable plastic products. The phase outs would follow two stages, Stage 1 by 2023 and Stage 2 by 2025.

These plastics are included because they are more difficult to recycle than other plastics. PVC and polystyrene are particularly problematic because they cannot be easily recycled in New Zealand and overseas markets to recycle them are limited. Oxo-degradable plastic products contain an additive that makes them break down faster into small pieces called microplastics and they cannot be composted or recycled.

PROPOSAL 2 focuses on seven single-use plastic items that have been identified as causing problems in the waste or litter streams.

Of particular interest to the horticulture industry is the proposal to phase out non-compostable produce stickers and single use produce bags. The five other items are drink stirrers, some single-use cups and lids, plastic cotton buds, plastic straws and plastic tableware. The intention is for phase out to start as soon as 2021. MfE has indicated that these items are being targeted because they are usually only used once but many have reusable alternatives.

The process included public consultation (now closed) with the MfE receiving just under 8,000 submissions. A report on the submissions will be made publicly available later this year but no date has been scheduled for decisions related to the proposals.

While no changes have been confirmed, the proposals are a strong signal of what's to come in the near future. It's important to start thinking now about what they may mean for your business.



INTERNATIONAL YEAR OF FRUITS AND VEGETABLES

2021

UN LAUNCHES 2021 AS INTERNATIONAL YEAR OF FRUITS AND VEGETABLES

The importance of produce is receiving some long-deserved recognition with the United Nations (UN) marking 2021 as the International Year of Fruits and Vegetables.

The United Nations announcement said they acknowledge the inextricable links that exist between agriculture and the entire food system, specifically noting the significant contribution of fruits and vegetables to the food security, generation of income, and employment of smallholders and family farmers.

The initiative will also help highlight the vital role fruits and vegetables play in human nutrition and is aimed at drawing attention to reducing waste and improving sustainable production that leads to better environmental outcomes.

When launching the campaign, UN Secretary-General António Guterres said that despite tremendous benefits of fruits and vegetables, "we do not consume enough of them." "Fruits and vegetables are the



cornerstone of a healthy and varied diet," he added. "They provide the human body with an abundance of nutrients, strengthen immune systems and help lower risks for a number of diseases."

"As the Covid-19 pandemic continues to affect the health and livelihoods of people across the world," he urged everyone to "come together to ensure that nutritious food, including fruits and vegetables, reaches the most vulnerable, leaving no one behind."

Promotion of fresh produce is also consistent with the UN's aim to strengthen the role of family farmers, and it also links to equity opportunities, as women often play leading roles for their

households in both the production and consumption of fruits and vegetables.

The International Year of Fruits and Vegetables 2021 falls within the UN Decade of Action on Nutrition (2016-2025) and the UN Decade of Family Farming (2019-2028).



WAREHOUSE EXPANSION FOR MG MARKETING AUCKLAND BRANCH

Construction is underway on MG Marketing's (MG) new 4,000 square-metre temperature-controlled warehouse which is adjacent to the existing Mt Wellington site. The additional space will bring the total footprint for the MG Auckland branch to 12,000 square-metres.

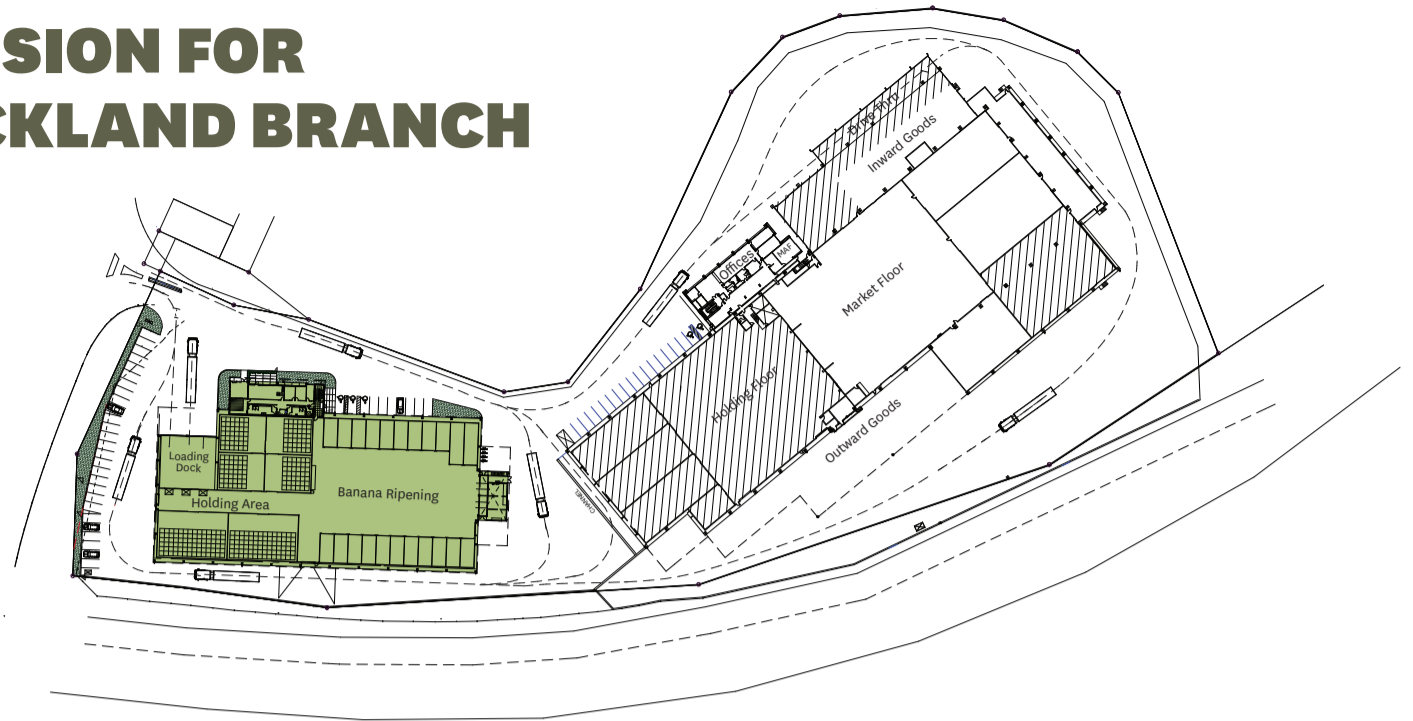
The warehouse will host a new state-of-the-art banana ripening facility. The banana rooms in the current site are being retired which will free up additional floor space for other produce. It will also include a purpose built MPI clearance facility and provide an additional 468 square-metres of office space.

Speaking about the new development, MG National Operations Manager, Greig Pullar, said the project is part of a major expansion of MG's operations in Auckland.

"Our new warehouse will enable us to continue to service our growing domestic market and enable us to expand our offering to meet future demand," says Pullar.

MG is also taking the opportunity to introduce a new, more sustainable refrigeration system, across both the new and existing sites.

"The new system has a higher up-front cost but it's highly efficient and using an ammonia refrigerant option which has zero global warming or ozone depleting potential, eliminating the use of fossil fuels for cooling the chillers and ripening rooms," adds Pullar.



↑ New Warehouse Extension

Ground work is currently being finalised. Construction is expected to be completed by the end of November 2021.



STANDPOINT.



OUR SOCIAL LICENSE TO OPERATE

Keeping on top of new regulations can be hard-work. Add in the risk of penalties and, in some cases, being held personally liable, and it's clear how important it is to ensure audits, records and certifications are kept up-to-date.

These are essential because they ensure you're operating within the confines of the law and enable you to access markets for your product, while more broadly helping protect the reputation of the industry.

However, importantly, there's also the requirement to align your business with community values. This can be referred to as your "social licence to operate". While it includes the need for you to act lawfully and ethically, it also means you should consider the broader views and interests of all stakeholders, especially the end-consumer. It includes the non-financial and non-regulatory factors that are linked to trust in your business.

Nearly every piece of research related to the produce industry highlights that a key factor driving consumers is businesses that act in a sustainable and socially responsible manner. Throughout the supply-chain they are looking for evidence that products comply with standards regarding business ethics, human rights, as well as environmental protection. It is not enough for your business to be efficient and show that you operate within the formal regulatory framework. You must be able to demonstrate you are a good employer, a conscientious steward of the land and community minded as well.

MG Marketing has made two important decisions in this space. Firstly, we have

introduced a Responsible Sourcing Policy that outlines a set of expectations for growing operations and packhouses supplying MG. These fall under three categories – Worker welfare and safety; Business integrity; and Environmental Practice.

Secondly, to support our goals, MG is making it a requirement for all New Zealand suppliers to be accredited with either NZGAP Social Practice Add-on, GLOBALG.A.P. GRASP or SEDEX/SMETA by the end of 2022. It is important to note that it is mandatory for growers supplying some major retailers through MG to already have one of the social practice certifications.

This is not because we have concerns – quite the opposite. We partner with likeminded business and are confident our suppliers are good employers with well-run operations.

The increased focus is about strengthening trust with our customers and the end consumer and giving them assurance that businesses throughout the supply-chain care about the issues that are important to them.

It's our social licence to operate.

® Together.Stronger.

Peter Hendry - CEO

CONGRATULATIONS RYAN KIESANOWSKI



Canterbury vegetable grower, Ryan Kiesanowski, battled through a broken toe to pick up third place in this year's Coast-to-Coast.

Ryan completed the Longest Day, men's elite race, in 11 hours, 31 minutes and 55 seconds – his best result in the category.

Three weeks before the event, Ryan dropped a hose with a metal fitting on his foot and opted to delay surgery in order to compete.

Outstanding effort Ryan!