

# SUPPLYLINE



NEWS FROM MG MARKETING

## GROWER PROFILE. KC YOUNG



**KC YOUNG**  
Located on the southern outskirts of Levin



18.5 ha  
Crops grown



Spinach



Broccoli



Silverbeet



Lettuce



Courgettes

## FOREVER ONE STEP AHEAD

Innovation and quality are two words synonymous with Norman Young, owner of one of Horowhenua’s oldest produce growing businesses, K C Young Ltd. He’s walked away from growing some mainstream crops several times over, and he’s constantly on the look-out for the next opportunity. His produce is sold through MG Marketing in Auckland, Palmerston North and Wellington and he consistently achieves higher than market prices for the quality of what he supplies.

As a second generation grower, Norman may have grown up with produce but at no stage has he ever taken the business, or its future, for granted. His astute business mind and willingness to diversify has enabled him to circumvent the ‘writing on the wall’ a number of times over the years. He has been agile in response to early trends and brave enough to take a punt.

Today, the business is built around a planting program involving broccoli, silverbeet, spinach, iceberg lettuce (May to Late October), courgettes (November to early June) and spinach – all year round. It’s a program that has been carefully selected not just for continuity of market supply but for its suitability to a unique microclimate, in an otherwise cool temperate maritime climate.

The operation is spread over two main blocks – one 12ha and the other 6.5ha, while a third block (5.2 ha) is leased to Woodhaven Gardens (the latter two being frost free).

“We have a unique microclimate here and I know the intricacies of that right down to the last paddock, and I plan and manage my crop rotation according to that. Growing is a science and you have to be prepared to listen, learn and, of course, experiment!”

“When we first started out, we grew potatoes. It was clear that that wasn’t the crop by which you could differentiate yourself, so

we switched to outdoor tomatoes and when that became more of a commodity scenario we introduced courgettes,” says Norman.

“At the beginning I had the older more experienced growers there to ask for help and MG has played a big part in the success of the business over the past 30-odd years, too ... they’ve always been there to give advice”.

Norman is quick to acknowledge two of MG’s team, individually, for the part they have played in his success over the years. Dean Hamill of MG’s Wellington branch sells all the lines KC Young takes to market. Their relationship goes back to the early days of the mid-80s when both were “young men just starting out”. Norman also attributes MG’s Auckland-based Marketing Representative, Darryl Peterson, for his success in the spinach category – a line he’s grown and supplied solely to MG in Auckland for the last five years. “Darryl introduced the opportunity and worked with us to help get up and running, and he’s managed the marketing into Auckland right from day one.”

Norman argues that sustainable success in the horticultural industry comes down to some key fundamentals –

understanding what your land is and isn’t suitable for, selecting a mix of crops that makes for a balanced crop rotation and one that spreads the risk and then ‘babysitting it’ to an inch of its life; and, of course, building the very best relationships that you can with sales people.

“You simply have to have a crop rotation that gives you earning potential 360 plus days of the year. If you paralyse the cashflow then you paralyse your ability to invest in the things that produce the quality that can then demand the higher yields. Courgettes are a crop that you can pick daily so you have cashflow coming in every day that allows you to do other things.”

When Norman ‘officially’ entered the family business after completing seventh form, as the eldest son, there was an expectation that he would take over the reins. With no immediate family member waiting in the wings for him to pass on the baton to, Norman is likely to either sell the business outright or lease his land to another grower in the area.

“It’s easy enough to transfer land suitable for growing to pastoral but it’s a whole lot harder the other way around ... and I would simply hate to see that happen ... growing is a hard, but a good life.”

# CREATING A NICHE BUSINESS FROM THE HUMBLE PUMPKIN

For many years, it seemed New Zealand consumers could choose between a grey pumpkin and a grey pumpkin, with buttercup/ butternut thrown in for variety. However, in recent times, the humble pumpkin category has undergone a bit of a shake-up. And all thanks to investment in innovation, a rigorous trial programme and the foresight of a few to come onboard to disrupt the market simply by offering something different.



Hastings

## TREMAINE FARM

Located 20km inland from Hastings

### 50ha block

15ha



Pumpkin\*

15ha



Sweetcorn & Peas

20ha



Sheep & Cattle

\*split evenly between Butterkin®, spaghetti squash and grey pumpkin

"As a niche grower, we're always mindful of not having all our eggs in one basket. There's always some volatility in the market so you need another string to your bow that allows you to fill the gaps on either side of peak supply – be that with different varieties or fill demand when there's a shortage."

Allen & Sue Kittrow



Allen and Sue Kittow of Tremaine Farm are two of those few. They know pumpkin better than most – they've been growing them for the past 30 years or more for the domestic market. They're also a couple that have been prepared to be ahead of the curve, hunting out opportunities to experiment, in the hope of pulling the market along in the process. Their business is a classic example of the success to be had of zigging when others zag.

A fifth generation Hawkes Bay farming family, the Kittows currently grow three varieties of pumpkin on 15ha of their 50ha block – Butterkin®, spaghetti squash and the traditional grey variety that still graces the Sunday roast in many kiwi homes. A further 15ha is afforded to growing sweetcorn and peas for processing, and the balance of the land is grazed.

The three pumpkin varieties demand different but complimentary growing and marketing programmes. Grey pumpkin stores well so sales can extend from autumn through until Christmas while spaghetti squash and Butterkin® have much shorter seasons and fewer growers, both of which allow for higher returns.

While Allen focusses on managing the growing programmes, Sue takes responsibility for the produce once it's out of the field, ensuring it's clean, bar-coded to specification and then crated ready for market. All of which happens from a modest lean-to, that houses a cleaning machine and a work table, which she affectionately refers to as the pack-shed.

The couple began growing spaghetti squash about four years ago. It's currently a small but growing category for the Kittows with their produce sold through all the major supermarket chains.

And their foray into Butterkin® – MG's trademarked product - began with a chance conversation with MG's Michael Breitmeyer and Roger Georgieff at the Cooperative's very first Growing You Programme. Six months later the Kittows planted 1ha of Butterkin®, and five years on, they're anticipating harvesting 100 tonne in the coming season, off 5ha.

"We've never been afraid to experiment," says Allen Kittow. "That's the secret to being anything other than a commodity supplier ... you have to identify and create the niche. Based on sound market knowledge and structured planting programmes.

"As a niche grower, we're always mindful of not having all our eggs in one basket. There's always some volatility in the market so you need another string to your bow that allows you to fill the gaps on either side of peak supply – be that with different varieties or fill demand when there's a shortage."

"With the market trending towards larger growing operations, growing large volumes of standard commodity products, and the aggressive expansion tactics of some over the



last few years, many of the smaller 'mum and dad' growers have simply disappeared or leased their land to the larger growers. Survival as a small grower has largely been dependent on your ability to inject cashflow into the business or to move away from mass to niche where volumes are small, but the returns are higher ... the same thing is happening in orcharding and viticulture."

"Taking a niche position is one of the reasons we've partnered with MG around Butterkin®."

"They've cornered the market for Butterkin® by protecting their IP and seed rights into New Zealand and have supported growers not only with planting programmes and product knowledge but also with assured markets.

"As a small grower, they have helped us protect our position, there's no question of that. Their Together.Stronger. slogan is very true. All the team at MG ... have certainly put in the effort and we've been able to benefit from that."

The Kittow's surmise that they have another 15 years in the business – and who knows what innovation they'll be brave enough to take on as a commercial proposition during that time. One thing's for sure, and that's they'll continue to evolve their business around opportunities that allow them to leverage off niche market opportunities. But right now, it's about creating efficiencies, getting even better at what they're currently doing to make the most of existing revenue streams.

## STAFF PROFILE.

### WILLIAM LITTLE

MG MARKETING BRANCH MANAGER, PALMERSTON NORTH

## LEADING BY EXAMPLE



Willie Little began his career in horticulture quite by chance. A need to find work saw him walk into the warehouse of Bray Frampton Ltd, Invercargill, at just 17 years of age. As luck would have it, the first person to greet him was his rugby club captain who directed him upstairs, and by the time he walked those few steps he had his first job with a brief to be a barrow boy and sweep the floors.

As he's quick to tell you, if you can survive 12 months in produce, you're generally in it for life. 25 years on from that first day on the floor, Willie is Manager of MG's Palmerston North branch – a role he has filled for the past 15 years. The branch serves the Central Plateau region – running from Taranaki down to Otaki and from Whanganui across to Hawkes Bay and has a team of 21 employees.

Since taking over the reins, he's led significant growth of the branch off the back of what has been enormous change in growing operations and crop selection within the region. During this time and in a response to urban sprawl, there have been shifts in consumer demographics and a vastly more competitive retail environment.

Willie describes his career with MG as a learning trajectory like no other, however, he's been prepared to do the hard yards. He's also moved around a bit, swapping the South for

the North Island in order to assist the business and take up different roles that would benefit his professional growth. Whether or not he actually ever changed rugby allegiance is another matter!

"I lived the life of a nomad for the first 10 years," reflects Willie, "But the experience and appreciation of the regional differences in the business and the friendships I gained during those years gave me an incredible grounding, and the resilience to manage the challenges that comes with the industry."

"It's a real cut and thrust world ... which is half the fun of the challenge. But it also means that, as a business, we need to constantly be looking for fresh thinking and to embrace the new blood that's coming up the ranks. That way we'll keep the business growing, our customers growing and our growers' businesses sustainable."

### PIO HURINUI

MG MARKETING REPRESENTATIVE, PALMERSTON NORTH

## ALL ON THE SAME TEAM

Few know the greens category like Pio Hurinui. For the past 13 of his 15-year tenure with MG, Pio has led sales of greens to MG's customers across the Central Plateau.

Based in the Palmerston North branch for each of his 15 years with the Cooperative, he's more attuned than most to trends and challenges that are specific to the region. And during his time as Marketing Representative, he has artfully navigated changing customer and consumer needs with the production regimes of growers.

What began as a sales brief around a limited range of produce traditionally categorised as 'greens', his brief has evolved into one that now encompasses responsibility for 35 individual produce lines – many of which have popped up on the scene as our population has become more culturally diverse and, by default, eating experiences have widened.

Like many of his peers, Pio is quick to acknowledge that the ultimate success of both MG's customers and growers, comes down to how effectively MG has brokered and nurtured relationships over time.

"When your customers trust you it's a whole lot easier to ride the waves of the industry to ensure a win-win outcome for everyone in the mix," reflects Pio.

"The pressure never goes away in this game and it's always a delicate balance satisfying consumer and customer demand with price and quality expectations and grower returns."

Looking back over the past few years, Pio argues that both consumer and grower have benefited from a conscious effort to better service the retail customer, generally, and in ways that allow them to adopt and/or lead change in order to remain competitive. He predicts that the next obstacle to navigate together will be around convenience packaging.



"One of the biggest changes to the industry in recent years has been the demand for pre-packed produce ... either in bags or in sleeves. The industry has responded accordingly, however, with the plastics debate there'll ultimately need to be some redress of how some produce is marketed."

According to Pio, the solution to this conundrum lies in the industry's collaborative commitment to find a viable and compliant alternate – which may well mean the end consumer needing to change some well-established shopping behaviours.

Prior to joining MG, Pio had been working in the horticultural industry for 10 years, primarily in warehousing and distribution.

### DIANE SCOTT

ACCOUNTS RECEIVABLE & SHAREHOLDER LIAISON

## WORTH HER WEIGHT IN GOLD

Accounts Receivable & Shareholder Liaison – a title that belies the enormity of the role that Diane Scott plays within MG's business. 'She who gets it sorted' might be a more apt, although less proper, description of what she actually does. Her colleagues describe her as the person who finds solutions to problems that they didn't even know existed, and the one that growers respect the most for her willingness and aptitude to resolve their queries.

Diane clocked over 23 years with MG last month. For all of those 23 years, she has been the central liaison point for growers around receipt/payment queries and shareholder rebates, dividends and resumptions. While for some this might be a daunting task, Diane takes it all in her stride.

"My philosophy around assisting growers is simple – put yourself in their shoes and view the situation from their perspective."

"Our business has become increasingly more complex and it's easy to forget that not all growers have the resources to attend to administrative tasks ... they're busy doing the doing ... so if I can help them in any way, then that's my absolute pleasure."

"Diane is a hugely important and vital cog in the MG wheel. She is invaluable to growers in resolving the many queries they throw

her way on a daily basis. If she can't fix it, she will find someone within MG who can. Diane simply doesn't let go until everything is completely sorted," says Roger Georgieff, National Procurement Manager.

Needless to say, it is this attitude that makes her one of MG's most valued employees – internally as much as externally.



# AN INVESTMENT IN THE WORKPLACE



It's the lead headline in every major paper and official sources publicly corroborate - New Zealand has a mental health problem that is in need of urgent attention. Not one of us is immune to the risk, nor is any one of us absolved of the responsibility for helping people remain emotionally well. Ensuring mental health in the workplace is no exception.

It's a responsibility under the Health and Safety at Work Act 2015 for employers to take into account the prevention of workplace injury related to mental health. It's simply part of our duty of care. But for many, it's an issue that's difficult to fathom and overwhelming to tackle - especially in an industry where 'just getting on with it' has been the mantra for success for decades. We've been conditioned to think that it's physical health that is the key to success, but mental health is equally as important.

That said, there's certainly a growing appreciation of the need for good mental health in the workplace, in general, and, more and more, mental health is being recognised as less of a problem 'to be solved' and more of a problem 'to be understood'.

The signs of poor mental health are many and varied and range from being obvious to more difficult to detect. However, the single largest contributor to poor mental health in the workplace is stress.

In recent times, reported stress has risen by 23% across many businesses, whilst 25% of people experience high levels of stress in their current employment. Of those 25%, one in five, say they will definitely leave their employer within the next twelve months. Furthermore, these stats appear fairly consistent across industry sectors.

For many employers, establishing good mental health practises can often be the thing that is pushed to the side. The huge number of stressors present in a business on any given day often means tasks that aren't mission critical, or near the top of the priority list, get left behind - as many as 33% of employers say a lack of time contributes to them not doing something tangible to relieve stress. 25% of employers also say a lack of understanding around the related issues is to blame for inaction. Yet recent analysis by Deloitte indicates that investment in mental health can achieve four times the return on investment, so it should be a business 'no-brainer'.

Whatever the reason, understanding the importance of finding ways to relieve stress needs to translate to doing something practical and achievable in the everyday work environment if businesses are to be sustainable in the long-term.

In today's increasingly complex environment, mental health in the workplace has to be about building shared resilience. And the things that underlie this notion of shared resilience essentially come down to everyone working in the same direction, everyone feeling included and valued and everyone feeling that they have a say.

Start with the basics and establish small, regular habits - enforce breaks to eat, hydrate and ensure everyone takes time out. Engage staff in the process of identifying stressors and in finding solutions that help resolve the cause of the stress then, together, introduce strategies that support mental wellness. The systems you put in place to ensure mental health in the workplace are as equally important as are the systems you put in place for growing the very best produce.

Remember, as a business owner, you too must make some investment in your own mental health if you're to realise the goals you have set for your business. The 'toughen up' and adopt a 'stiff upper lip' strategy is simply not a sustainable option.

When mental health is viewed as a resource - as opposed to a liability - people resilience, staff engagement, problem solving and productivity go through the roof and workplace injuries, absenteeism and burn-out drop off.

Acknowledgement: MG Marketing thank Al McCone, Engagement Lead Agriculture WorkSafe NZ, and Gerard Vaughan, Project Manager, Farmstrong for their contributions to this article.

# UNITED FRESH LEADING THE WAY IN TRACEABILITY

United Fresh is leading a three-year Sustainable Farming Fund project looking at traceability in the domestic fresh produce industry. The ultimate aim of the project is to establish industry guidelines that will allow for effective traceability throughout the supply chain.

Recent food safety issues have highlighted the need for fast, robust traceability back to source. Food borne illness outbreaks, which cannot be traced back to a known starting point, create costly industry-wide recalls and negatively impact consumer confidence.

This project aims to understand the challenges that compromise effective traceability - and assist growers, packers/wholesalers and retailers to understand the steps they can take to improve traceability practises within their respective businesses; ultimately improving the standard of external traceability, domestically and internationally.

To date, the project has included a literature review, a prepacked supply chain traceability report on strawberries, an industry survey, wholesaler and grower traceability assessments, trials using barcode labels on pre-packed produce, and presentations to the Horticulture sector.



If you would like further information or an update on this project please don't hesitate to make contact by emailing [info@unitedfresh.co.nz](mailto:info@unitedfresh.co.nz) or [www.unitedfresh.co.nz/technical-advisory-group](http://www.unitedfresh.co.nz/technical-advisory-group)



United Fresh  
New Zealand Incorporated

## STANDPOINT.

# RELYING ON EXTREME WEATHER EVENTS FALLS WELL-SHORT OF A LONG-TERM STRATEGY FOR SUCCESS

Relying on extreme weather events might well offer a cash windfall and boost profit margins for a window in time, but it falls well short of a long-term strategy for success. Yet at a time when the industry needs to get smarter, more and more we're hearing growers talk about factors out of their control as being their salvation. This mindset is only fraught with problems - not only does individual saviour come at the expense of another grower somewhere else in the country, it's impossible to plan for. At best it's a chance roll of the dice and, inevitably, what might be your gain this time will be your loss next time around.

Nothing, replaces the value to be had from planning and nothing ensures a profitable and sustainable business model more so than planning. Planning based on key market insights and access to the knowledge and skills required to leverage those insights.

Change is the new norm within our industry. Understandably, many growers are feeling vulnerable in their ability to adapt, and the pace of change we're experiencing leaves some feeling ill-equipped to keep up. Certainly, the pressure of change impacts all aspects of the business and when you fall behind, the temptation is to put your head in the sand and hope for the best - like another weather event that rips supply out of the market and inflates returns for a fortunate few. But we can do much better than this. And we need to do much better than this.

If we're to survive and prosper, we need to ingrain strategic and long-term planning into our approach to business.

Planning is not a science, but it is a discipline. Effective planning simply comes down to getting the fundamentals right - understanding the market outside of the farm gate and adjusting growing and sales strategies and sales channels, accordingly, to maximise market opportunities. Overlay this with looking at ways to mitigate against weather events and climate change, more generally, and the business moves from one that is at the mercy of the consumer and mother nature, to one where we collaboratively control and lead the market.

As a company we're constantly investing in IP to both develop hardier strains and the next new line of produce, monitoring consumer trends in consumption and the quality-price-convenience trade-offs that influence buying behaviour, and

looking for export and domestic opportunities to add other sales streams which optimise value for growers.

As your grower cooperative, MG's role is to support you in optimising your business success through sound advice based on technical expertise, market knowledge and industry relationships. Together, we can better leverage existing market opportunities and open up new ones. A strong and sustainable future is a goal we all share and one that we need to plan for and navigate together.

® Together.Stronger.

Peter Hendry  
CEO

