SupplyLine

News from MG Marketing

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Together. Stronger.



Highline Produce is a business that has learnt the value of cooperation and has picked the brains of people who can offer advice.

Grower Profile.

Highline Produce

Ohakune growers, David and Kathryn Greenwood, along with eldest son Malcolm, manage Highline Produce.









Ohakune

10 Ha parsnips



4 Ha swedes





Did you know

New Zealand produces 60% of the world's carrot seed supply!

- o1 Malcolm Greenwood is hands-on in the day-to-day running.
- 02 Decisions around improving yield is definitely a function of collaboration, trial and taking calculated risks.
- 03 Investment in washing and brushing technology makes all the difference to on-shelf appeal.

With eldest son Malcolm now playing a key role in day-to-day management, the close-knit Greenwood's have been working the land for four generations. The 220 ha block of land was originally purchased by David's grandfather who planted carrots and potatoes. David's father tried his hand at livestock farming as well as sending swedes to market and a large portion of land is still grazed by sheep and cattle today.

When David left school in 1979 he started working in the family business and took on the full-time management in 1987. Today, Highline Produce plant 40 ha of carrots and 10 ha of parsnips annually, targeting a yield of 75 tonnes/ha and 35 tonnes/ha respectively. They also dedicate four hectares for swedes.

SUCCESSION

The Greenwood family sits at the heart of their succession plan. Malcolm is already playing a key leadership role in the business and as such means David and Kathryn can enjoy the odd holiday away from the business. While still having a hands-on role in the business, David is able to enjoy a spot of hunting and fishing off the nearby west coast with his Contiki.

An obvious sense of pride comes from having their daughter Sarah and son Andrew at Lincoln University studying Ag Science and Ag Commerce and a younger son Nelson shortly heading to secondary school.

The proud parents are hopeful of opportunities to involve all of the children in the future

THE GREENWOOD WAY

Family is an important part of the Greenwood's business culture, however, hard work and a focus on quality is what helps build a business that will

"Can't afford to do a half pie job," said David

The family have shown a determination to move the business forward through investment when income allows. Key among what Highline Produce looks for are things that can improve how they present their vegetables. They've recently implemented equipment and processes to

improve washing and brushing carrots. This helps create a better quality of product, a benefit they say then gets passed through the chain to retailers and consumers.

The business has also had to be adaptable and responsive to the market with items such as pack types. A good working relationship with staff is also an important part of the way business is run at Highline Produce.

ONGOING CHALLENGES

Like everyone in the industry, the rising cost of all inputs and labour are challenges and have an impact on the level of return. Pest and disease management are becoming tougher as the business strives to continue producing a quality crop. However, over the years the business has learnt the value of cooperation and have 'picked the brains' of people who can offer advice.



OHAKUNE CARROT

On the eastern edge of the Ohakune township proudly sits a giant replica of a carrot. This is said to be the world's largest model carrot and was originally created in the 1980's as a prop for an ANZ television ad. In 1984 following filming the carrot was donated and installed at Ohakune to acknowledge the area's reputation as New Zealand's highest producer of carrots. The area surrounding the carrot is currently undergoing a redevelopment project under the guidance of the Ohakune Vegetable Growers' Association.





Grower Profile.



Panmure Orchard

Investment has been a key to success at Panmure Orchard. Hands on management, innovation and new technology are keeping them ahead of the curve.









In 1952, Murray and Bessie Hiscock established the orchard in Earnscleugh, Alexandra before passing it onto Clifford and Shirley. Today, Panmure Orchard is still a family business operated by Jeremy and Bridgette Hiscock. Panmure Orchard's main crop is nectarines (23 ha), but they also grow cherries (20 ha). They have made the decision to progressively remove the original 18 ha of apples this winter and replace with further cherry and nectarine plantings.

INNOVATION AND TECHNOLOGY

Keeping a keen eye on what is new is essential for this longstanding family business and is firmly entrenched in their strategy and operations. The Hiscocks have the ability to invest significantly in their business because of carefully managed



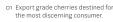
overheads and very good IT systems they have

developed themselves

Their overall objective is to use technology to improve productivity and gain efficiencies and achieve the best results in every aspect of their produce journey. They have installed and maintained solutions that reduce labour, increase throughput, improve accuracy and consistency and traceability.

The introduction of Compaq packing equipment has had a major impact on the orchard. The business operates a Compaq optical single lane defect sorter/sizer for nectarines, and are adding a Compaq four lane cherry defect sorter this year in conjunction with their existing BBC punnet filler. This has enabled the business to increase returns by improving the identification of premiumgraded fruit. Operating costs for sorting and packing are reduced through decreasing manual sorting costs and increasing throughput.

On-farm waste is also reduced - a benefit that then gets passed through the chain to retailers and consumers. Technology is not only used in the shed. An iPad driven database system is used in the orchard to record picking production and clearly highlight the performers and non-performers. They can then work with respective pickers to improve harvesting.



- O2 The compaq single lane defect sorter improves efficiencies in the pack-house.
- o3 Performance bonuses are paid for the overall quality of the pick and not quantity alone.
- 04 Bridgette and Jeremy Hiscock
- os Roger Georgieff casts a critical eye over the first of the nectarine pick.

STRONG AND ENDURING STAFF RELATIONSHIPS

Building excellence in staff relationships is a vital component to the success of Panmure Orchard. Part-time, experienced and knowledgeable help is essential and all staff are supported through the delivery of an individualised induction programme and clear training. The team at Panmure Orchard believes that taking time to properly prepare staff through simple steps leads to improved productivity.

Performance bonuses are paid for harvesting quantity and quality and a special emphasis is placed on stopping inferior quality coming into the shed, despite defect sorting systems that are in place. Jeremy and Bridget seek constant feedback on how they can improve and be more efficient in both the growing and packing operations. They have no supervisors or managers, completing all the overseeing themselves. Staff are empowered by listening and have created a 'no fault' workplace.

The Hiscock's have achieved healthy margins on the back of strong relationships with exporters and MG Marketing, who provide a direct route to market and deliver value. They cut their cloth to fit each seasons variables with an aggressive reinvestment strategy.

age 02 SupplyLine Together. Stronger. www.mgmarketing.co.nz

Environmental stewardship in Canterbury

A new approach to environmental stewardship, particularly in relation to water quality, is now well advanced in Canterbury.

Author: Environment Canterbury For more information: http://ecan.govt.nz/get-involved/ canterburywater/Pages/default.aspx www.ecan.govt.nz/lwrp-farmers Customer Services: 0800 324 636

Management of Canterbury's water asset is pivotal to future land-based growing operations

Growers and all farmers will be affected, particularly if they are considering land use change or intensification. The collaborative Canterbury Water Management Strategy allows local communities to develop solutions for local water quality outcomes.

The Land & Water Regional Plan, which will be operative or close to it by the time this is published, provides the framework to facilitate delivery of the community's aspirations for water management in Canterbury. The Land & Water Regional Plan establishes the mechanisms to



enable all the key outcomes of the Canterbury Water Management Strategy, including water management within collaboratively agreed limits.

Farming to limits will present a variety of challenges for farmers and growers, particularly if they are farming in areas categorised as at high risk of further water quality degradation. Sub-regional sections of the Land & Water Regional Plan, and non-statutory measures introduced by Canterbury Water Management Strategy zone committees, will affect farming practice and land use.

Farmers will be required to prepare farm environment plans if they need consent to farm. Environment Canterbury and industry bodies are promoting farm environment planning and action as good business practice, indicating sustainable production for international markets. Good Management Practice is being defined by industry groups including Horticulture New Zealand. In many areas, good management practice will need to be exceeded if water quality outcomes are to be met.

The Matrix of the Good Management Practice project will provide key information about good management practices that can be used by farmers and by their local communities. All farmers, including growers, are strongly encouraged to get involved in their local zone committees, catchment groups and subregional planning processes so they can influence actions that will have a positive impact on local water quality, which is so important to Canterbury's future.



Southern Belle Orchard up for The Ballance Farm Environment Awards title

Matamata based Southern Belle Orchards has been announced as the supreme winner of the 2015 Waikato Ballance Farm Environment Awards (BFEA), an annual competition run in ten regions throughout the country. Owned and operated by Frans and Tineke de Jong, their son Talbert de Jong and his partner Emily Meese, Southern Belle Orchard produces feijoas and capsicums.

The competition recognises and celebrates good farm practices that demonstrate sustainable land management. Entrants are evaluated on the entire environment that the farm operates within, with particular consideration to:

- sustainable profitability;
- environmental awareness;

Frans de Jong, Regional winner of the Waikato Balance Farm Environmental Awards

- good business practices;
- social and community responsibility;
- succession plaaning.

At the recent awards ceremony, the de Jong's family-run business also collected the Hill Laboratories Harvest Award, the Massey University Innovation Award, the WaterForce Integrated Management Award and the Ballance Agri-Nutrients Soil Management Award. Judges said, "Southern Belle Orchard is an excellent example of what can be achieved when clear objectives and goals are established for a farming business."

Judges also noted the "impressive analysis of production and forecasts, which prompts management to avert risk and drive efficiencies and productivity".

Southern Belle Orchards will contend for the national title in June.

Planning for future success

Matt Hannah Director KPMG



Succession planning can be viewed as a prosperous end to a lifetime commitment to your business. It can also represent a new chapter in your personal life and the life of your business.

At the end of the day, it is important to make sure your business is successful without you, regardless of whether you are planning to sell, retire, gift or take a more passive role.

In small to medium size businesses, especially the rural sector, it is common for a single business owner to retain all the knowledge and relationships. This leaves their firm highly vulnerable after retirement or events such as marital breakdown, sudden illness or death.

Unfortunately, many business owners deal with issues in a fragmented, ad-hoc or reactive way.

They consult professionals only when the issue or opportunity arises or presents itself. The process can be accelerated if required, but normally results in a much lower return after sale or limits your exit options.

To protect your family, set yourself up for a comfortable retirement, ensure the ongoing success of your business and to demand a high price when selling, you need to make sure you have your house in order.

Planning should start early and you should think of it as a process that is continuously managed and not an event. Include independent directors or advisors to oversee the process, focus on personal development and professional feedback, complete a stock-take of your business interests and think about setting target dates for transition.

It's not just about safeguarding your legacy. It also paves the way for you to take a more passive role in later years. Careful planning helps reconcile different family interests and expectations, resolve awkward tax and financial issues and ensure continuity of the business.

Theodore Roosevelt summed it up nicely when he said, "In any situation, the best thing you can do is the right thing; the next best thing you can do is the wrong thing; the worst thing you can do is nothing."

Succession planning is imperative for the long-term survival of any business.

Standpoint.

Growing You launched

I am thrilled the MG Marketing inaugural Growing You professional development workshop held earlier this month was a huge success. MG's success would not be possible without the contribution of our growers who have helped build our business. We want to continue to build capability and, as such, the programme has been developed as part of our ongoing commitment to work with our growers to advance their industry knowledge and skills to support a sustainable industry.

This is a practical example of our commitment to being an organisation that truly values working in partnerships. Feedback indicated that there were a number of interesting workshops and speakers who provided a really helpful insight into our industry. Participants came from a range of ground-based operations across the country and covered such topics as nutrients and soils; non-chemical, sustainable weed management; non-chemical, sustainable pest and disease management; best practice for agrichemical application and crop protection; along with sessions on business

Three workshops were delivered by Lincoln University lecturers, a business workshop was led by KPMG and MG Marketing spoke about managing people. In another interesting feature, course participants were taken on a tour of the recently refurbished Christchurch facility and new ripening facility. Growers who attended were given the opportunity to gain practical insights from the experts in the latest tools and techniques that they can apply to their own operation. We were extremely encouraged by the quality of the event and are determined to build on that success.







Peter Hendry





"We can always improve our business and this is a good environment to support that."

Robin Oakley, Managing Director of Oakley's

01 & 02 Growing You is all about delivering practical value to growers.

Participants and partners delighted with Growing You initiative



on attendees at the inaugural Growing You programme, May 2015.



MG Marketing launched the first edition of their Growing You initiative on 27 and 28 May 2015.

Managing Director of Oakley's, Robin Oakley, spoke positively about Growing You, not only highlighting the content but also valued the opportunity to connect with other growers.

"I personally had some good take home information for our business," said Robin Oakley.

"The opportunity for discussion in and out of the workshops with the other members attending was also valuable.

"We can always improve our business and this is a good environment to support that.

"I think this is a good initiative that has been taken by MG's and would encourage gathering feedback and offering more in the future.

Lincoln University, New Zealand's specialist land-based university, was selected as MG Marketing's partner to deliver some key workshops in the Growing You programme.

"It is great to see MG Marketing take such a

leadership role by funding a programme that supports the development, training and education of growers," said Dr Sam Yu, Lincoln University Business Development Manager.

"We are pleased to establish a partnership with MG Marketing to deliver a programme of higher education.

"Our team is embracing MG's desire to set the bar high and extend knowledge and skills for the people with their hands in the soil

"We believe that through the partnership we can help generate value for the industry by focusing our collective expertise on critical issues and opportunities that face growers in New Zealand."

Established in 1878, New Zealand's Lincoln University is a specialist land-based university QS ranked in the Top 500 globally that is focused on teaching, research and technological innovations in agriculture and life sciences providing the foundation of knowledge for land-based, sustainable production.

Health & Safety Reforms Means Greater Responsibility **Allround**

The Health and Safety Reform Bill 2014 is expected to come into force by the last quarter of this year. While the proposed changes are numerous, the key change sees an overall shift in the legislation from a 'hazards' based approach to a 'risk' based approach.

The reforms will impose broader duties and larger penalties on employers, whether individuals or companies. Businesses need to ensure that they are aware of the responsibilities of the Directors of a company; this is referred to as 'positive due diligence' of those people defined as $\mbox{\bf Persons}$

Conducting a Business or Undertaking (PCBU).

It is vital that anyone involved in conducting a business and PCBUs become aware of their obligations to employees, and plan the best way to manage the risks in their business to ensure safety in the workplace. Importantly, failure to comply with the legislation can result in legal or criminal action being taken against the PCBU.

WorkSafe NZ assumes responsibility both for the development of regulation and codes of practice around safety in the workplace, and the enforcement of these regulations.

The proposed changes to our health and safety regime are based on Australian legislation, and particular emphasis has been placed on improving health and safety in the rural community. In the past two years, there have been up to 40 deaths and many injuries on-farm. Most farmers would agree this has been too many.

MG will continue to update you through SupplyLine on the changes as the legislation