

# Coolnews

July 2010

## What's inside?

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New Varieties - What risks do we need to be aware of?

NZKGI

Soil Nutrient Testing




Aerocool Winter Field Day

Avocado Field Day

Grower Payments

Mystery Creek Field Days

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orchard management  packing services  coolstorage 

 aerocool

# Mainpack season 2010 complete

We have recently completed the 2010 Mainpack season; the season started out very promising with good yields, fantastic weather and favourable packing conditions, the Kiwistart season whilst shortened by Zespri due to an abundance of smaller profiled fruit (Non Aerocool Growers) was still a great success with a record number of trays and growers meeting this year's Kiwistart criteria. The Mainpack season started well with fruit sizing up over time, sooty mold & misshapen fruit played a part in reducing overall packout percentages this year whilst the heavy rains in May lengthened the packing season.

Statistics from the recently completed 2010 Kiwistart/Main Pack Seasons:

- Most trays per bin Hayward **96.8 trays**
- Most trays per bin Gold (14 Bushel) **77.6 trays**
- Bins packed in a single shift (9.5 hours) **620 bins**
- Bins packed in a single day (2 x 9.5 hour shifts) **1,193 bins**
- Most trays packed in a day (2 x 9.5 hour shifts) **103,791 trays**

CA – We have a total of 4 CA stores holding close to 300,000 trays of Kiwifruit to pack over the next few months, one of the bonuses of CA fruit is that it allows us the flexibility via pack type to meet the markets demands. The overall Aerocool growers pool benefits from the extra income generated by the CA fruit as well.

Coolstorage – With the completion of our most recent coolstores our past reliance on satellite coolstores has now ceased with 100% of our growers fruit packed and stored on site, this allows us to better manage our inventories with the Quality and Supply teams having full access to each and every pallet.

Hail – Unfortunately a small number of Aerocool growers have been affected by the Te Puke hail storm on the 14th May, the hail event was fortunately on the lighter side with the industry only having 2 growers with claims over 20%. A total of 6 Aerocool growers (130,000 trays) were affected this year, the overall damage was light with most orchards suffering 2-3% physical damage. The TAGET board in consultation with some of the affected growers have made the decision to include the hail affected trays into the pool therefore covering any post packing fruit loss and the associated costs.

**RICHARD NICHOLSON** – General Manager  
PH: 533 6212 ext 830



## NZKGI

Most of you would have by now read all the information in the recent KGI update/Kiwiflier or at the recent Field Days so there is no need for me to repeat anything except perhaps to reinforce why I believe we need NZKGI.

NZKGI is your (the growers) voice in the corporate world of Kiwifruit. Zespri has \$0.1 billion invested in the Kiwifruit industry. Post Harvest facilities have \$0.5 billion invested. But we the growers have an investment of \$3.2 billion.

While I have the upmost faith in Zespri and the majority of post harvest facilities, we the growers have the most to lose. Without the growers' support we could lose the privilege of the SPE.

If you have any queries, thoughts or problems please feel free to contact me either by phone or email.

**JEFF HOLDEM** – Chairman of TAGET  
Ph: 027 291 1533 E: jgholdem@eol.co.nz

# New Varieties - What risks do we need to be aware of?

The industry is entering a new era with the commercialisation of three new kiwifruit cultivars and it seems probable that a commercial red variety is just around the corner. There is a genuine feeling of excitement and enthusiasm towards the new varieties among a range of industry participants (including the team at Aerocool). However it may be prudent, given the limited window for consideration, to explore the potential risks of conversion in 2010.

The publication "ZESPRI New varieties - 2010 Information Guide" categorises the risks associated with conversion as being 'General' and 'Variety Specific'. The general risks include:

- Horticultural Risks – all factors which may have a negative impact on the volume and quality of crop produced e.g. climate, pest, disease etc.
- Competition – from international suppliers of kiwifruit and suppliers of other fruit products.
- Consumer Demand – all factors influencing the demand for ZESPRI kiwifruit e.g. economic factors, changing consumer tastes.
- Intellectual Property – Attempts to illegally grow and market fruit in breach of plant variety rights.
- International Market Restrictions – factors affecting ZESPRI's ability to function effectively in a given market e.g. trade barriers, tariffs etc.
- Government Regulation – Maintaining legislation enabling the current single point of entry marketing structure.
- Biosecurity and Environmental Risk and Regulations – Changes to regulations imposed by MAF and ERMA.
- Distribution, Research and Marketing Arrangements – The global expansion of major retail groups influencing buying patterns among ZESPRI's distribution network.
- Financial – ZESPRI's ability to meet financial obligations.
- Foreign Exchange Implications – Fluctuating exchange rates influencing grower returns.

Many of the general risks outlined above apply to any participant in the horticulture industry however some are specific to the kiwifruit industry. It is fair to note that many of these general risks will apply to product categories among ZESPRI's current portfolio i.e. Hayward and Hort 16A.

One risk which applies specifically to new variety conversions and is not mentioned in the Information Guide is the ability to source resources required for conversion in a timely fashion e.g. labour, structural materials, irrigation services etc. This risk is likely to be exaggerated in 2010 with the limited time-frame between notification of commercialisation and the closing date for applications.

The Information Guide also briefly outlines risks specifically associated with each variety and these are summarised below:

### Gold3 (early season gold)

Trials of the Gold3 variety have identified the following risks:

- Inconsistent taste and quality issues experienced in-market from ISO week 19 onwards.
- 'Stretch marks' on the upper shoulders of the fruit.
- Product management issues due to increased fruit size.
- Increased susceptibility to some pests compared to Hort 16A.

There is an additional risk to growers who choose to convert to Gold3 in areas which may be considered marginal in terms of meeting appropriate harvest dates. The desired supply window for this variety is a period of four weeks, being two weeks prior to Hort 16A and the first two weeks of Hort 16A supply. Initial indications of disincentives applying to fruit which is harvested outside the desired supply window is that growers who supply fruit in the third week following Hort 16A start date will have fruit payments discounted by 30% and fruit supplied from the fourth week following the Hort 16A start date will have fruit payments discounted by 50%.

### Gold9 (late season gold)

Trials of the Gold9 variety have identified the following risks:

- No late season sensory or storage information for the current year.
- Potentially high fruit loss levels as a result of water loss (shrive) identified in coolstorage.

The high levels of water loss may be correlated with very open, exposed canopies, sun exposed fruit and extended periods of curing between harvest and packing.

The current pooling proposal for Gold9 is subject to the continuation of it displaying desirable storage characteristics. Failure to consistently display characteristics in line with the product concept may result in an alteration to the pooling concept. Pooling concepts are to be reviewed at the sooner of the variety reaching 2 million TE or 4 years from the date of commercialisation.

### Green14 (early season green/new sweet green)

Trials of the Green14 variety have identified the following risks:

- In-market differentiation required from Hayward, leading to increased promotional expenditure and logistics costs.
- Initial lower yields, lower than or similar to Hayward.
- De-greening through storage period.

It is also interesting to note that no decision has been made as to the branding of the Green14 variety. Initial indications are that it will be an extension of the Green category and exported as an early season product into premium markets. If Green14 was to be introduced as another product category altogether, significant investment would be required for additional costs e.g. brand promotion, consumer awareness, procuring shelf space etc. These costs may be absorbed within the new category pool or be spread over several category pools. It seems that the Green14 variety has the greatest levels of risk compared to the other new varieties.

ZESPRI has indicated that the amount of converted land required to service the desired supply volume of Gold3 is approximately 500ha. With 200ha of land likely to be subscribed in 2010, growers may be excused for feeling a sense of urgency to secure a license for this variety. As for the Gold9 and Green14 varieties, ZESPRI has indicated that they are likely to release approximately 2000ha worth of Gold9 and 1000ha of Green14 license so growers may not feel so much pressure to secure licenses for these varieties.

Despite the risks involved in converting to a new variety, positive attributes which have been displayed greatly outweigh the negative. Aerocool has had the privilege of processing some of the new varieties through the packhouse this year and everyone involved has been impressed by the desirable handling characteristics of the fruit. There have also been reports from growers and orchard personnel industry-wide describing some of the incredibly exciting features of the new varieties on offer.

The level of risk a grower is exposed to should reflect that grower's ability to weather the storm in the event of setbacks and teething problems.

At Aerocool, we pride ourselves on providing personal support to growers, offering assistance specific to each grower's circumstances. Our Technical Manager Tim Woodward has significant experience with each of the new varieties and is available to Aerocool growers for consultation. We look forward to working closely with all of our growers in the future, especially those who plan on taking up the challenge of converting to an exciting new variety.

**TOBY POTTER** – Grower Services Representative  
Ph: 533 6212 ext 802



# Grower Payments

The 2009 Aerocool Green Pool has finished with an average OGR of \$3.76 per tray, \$0.07 above industry average, while the Gold average was \$6.57.

Zespri has approved the first progress payment for the 2010 Season, which will be paid on the 15th July 2010. The table to the right shows the payments by size. These are averages and your individual payments may vary. Indicative average progress payments for 13 August are \$0.29 for Green and \$0.38 for Gold.

Aerocool will start to deduct service charges from these progress payments as per the Pool rules. The TAGET rules state that a minimum of \$0.10 per tray will be paid in July, August and September and growers will receive at least 50% of the net average payment made by Zespri in any one month. This indicates that the average payment to Aerocool

growers, after Aerocool deductions, will be greater than \$0.25 per tray for Green as we expect to make a payment for Taste and MDP.

Zespri's approved progress payments by size July 2010:

	GREEN	GOLD
Zespri Average	\$0.50	\$0.52
16/22	\$0.30	\$0.05
25/27	\$0.65	\$0.45
30/33	\$0.80	\$0.85
36/39	\$0.25	\$0.30
42	\$0.00	NSS

**DAVID BROKENSHIRE** – Company Accountant  
P: 07 533 6212 ext 841

## Coming up

### SOIL NUTRIENT TESTING

Soil nutrient tests should be used annually to develop your fertilizer programme for the coming year, and once again Aerocool has got a bulk testing discount with Hills Laboratory in Hamilton. We can organize sample collection and testing through the laboratory and organize a fertilizer recommendation for you – all for \$60.00 + GST per sample.

Please contact Tim at the office [533 6212 ext 817] if you are interested.

### AEROCOOL WINTER FIELD DAY

The 2009/10 season is over and we are looking towards an exciting next season with the need to produce high yields of high taste GREEN and GOLD kiwifruit and the potential to graft over to new varieties.

Topics to be discussed include:

1. Converting to new varieties
2. What do we know of G9?
3. Winter prune bud numbers and wood type selection
4. Sooty mould control options

Who:

Alan and Pat Birley – G9 Trialists  
Steve Owen (Plant & Food) – Grafting  
Peter Moriarty (National Bank) – Financing conversions  
Mark Loeffen (Fruit Fed) – Crop protection

Where:

Tarapuke Orchard  
1552 State Highway 2  
Pongakawa

When:

Wednesday 21st July 9.00am-12.00pm

BBQ and refreshments will be provided. All growers are welcome to attend.

### AVOCADO FIELD DAY

We will be holding an Avocado field day for all Aerocool Growers. A range of industry related topics will be covered on the day.

Where:

Hazel Drake's  
429 Omanawa Road  
Omanawa

When:

Wednesday 14th July 2.30pm -4.00pm

BBQ and refreshments will be provided. All growers are welcome to attend.

**DR TIM WOODWARD** - Technical Manager  
P: 07 533 6212 ext 817

### STAFF INTRODUCTION



A recent appointee Peter Sneddon has spent the last three months employed as the Aerocool Kiwifruit Harvest Coordinator, this role has a real "baptism of fire" feel to it as we [Aerocool, Growers, Pickers

& Contractors) place huge demands on the Harvest Coordinator. It is pleasing that Peter has come through the Kiwifruit season intact and is looking forward to the next challenge we throw at him.

Peter is originally a local Te Puke native whose childhood years were spent on his parent's kiwifruit orchard; he has spent the last few years working for an avocado contractor and has gained an abundance of pre-harvest Avocado experience.

Peter will continue with the seasonal Harvest Coordinator role and will be joining the Growers Services team primarily in an Avocado Procurement/Harvest role and will work alongside Anne and Toby to ensure that all Aerocool growers are receiving the best possible service.

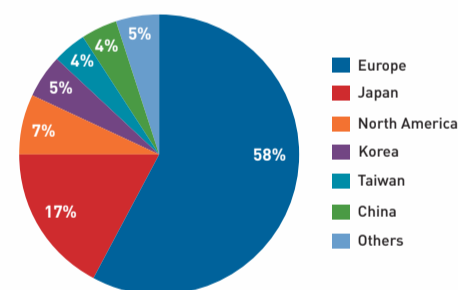
**RICHARD NICHOLSON** – General Manager  
PH: 533 6212 ext 830

# Supply Update

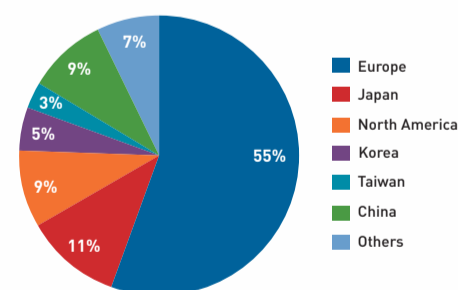
Mainpack is complete and we have packed around 90% of the expected Hayward crop and the entire Gold crop. Our shipped volumes continue to exceed that of previous years, with 11% more fruit being shipped than in previous seasons.



Shipped by Destination 2009



Shipped by Destination 2010



### FRUIT LOSS

Although it is a little early to reflect on Fruit Loss, it is pleasing to note that our overall Fruit Loss position is well below that of previous seasons. At this time last season it was 0.2%, this year there has been virtually none! We hope to continue this and to better our previous season's performance.

**NEIL MCLOUGHLIN** – Inventory Controller  
P: 07 533 6212 ext 831

### OFFSHORE MARKETS

The significant shift in destination markets noted earlier in the season has changed somewhat. Product being shipped to Europe and most of the other major markets is very similar to that of the prior season. The exceptions being, Japan which is around 25% down and China which is over double.



# AVO-news

Aerocool's 7th season of packing Avocados will shortly be upon us with a number of growers looking to utilize early season local market options rather than wait for the export season to commence.

The 2010/11 Aerocool Packing agreement is being distributed by our Grower Services Team and growers will be pleased to note the following;

- No increase in packing charges (No change since 2008/09)
- No increase in transport costs
- Aerocool growers enjoy the highest returns in the group

The ability to keep costs down for the past three seasons is something that we are very proud of we will strive to continue to assist growers wherever possible to ensure your post harvest costs are kept to a minimum. Key to this ongoing challenge is Aerocool's long term investment

in technology and staff; we have been leaders in the introduction of technology in the kiwifruit industry and have now transferred the use of technology to maximize Avocado grower packouts whilst reducing costs. At Aerocool our staff are our greatest asset and we truly have a great team of dedicated, intelligent, hard working, grower focused, industry leading staff.

## Avocado Comparative Reports

Shortly we will be distributing each individual grower's comparative reports, these reports will allow each grower to not only understand their individual crops performance but will also benchmark the outcomes amongst all Aerocool growers.

**RICHARD NICHOLSON** – General Manager  
PH: 5336212 ext 830



# Mystery Creek Field Days

Aerocool Growers learnt that the bus was certainly the way to get to the Mystery Creek Field Days. After a pleasant morning tea stop at Lake Karapiro we were parked at the main entrance of Mystery Creek. A flat walk for the remainder of the day was still tiring, but it was nice to look at the hill and know we didn't have to hike up or down it.

We all enjoyed the hospitality at the Zespri hospitality site. As we attended on Friday, CEO Lain Jager was the speaker. Board members Peter McBride and Ray Sharp were in attendance along with NZKGI chairman Mike Chapman.

Lain spoke briefly on market conditions:

- Tray numbers are down for this season but fruit was selling slower at a higher return allowing the selling season to be extended.
- Overseas currency, in particular the Euro and US dollar are not currently working in our favour but the YEN is.
- New varieties were discussed and tasting of the selected varieties were available.

Lain made the comment that it was not necessary for every grower to obtain licence for new varieties this season. He was of the opinion that there would still be opportunity available next season And this would mean that growers did not necessarily have to rush in. Of course he welcomed those growers that would be bidding for licence.

This discussion was followed by a light lunch. It was a great place to mix and mingle.

Aerocool TAGET Directors Geoff Oliver and Judy Trafford were at the entrance to the Zespri hospitality tent with tasting of green and gold kiwifruit, and gold fruit juice. There were also other Aerocool Growers that were exhibitors at the field days. These included Buckton Engineering and Neville Marsh Contracting.

Thank you to those who travelled with us. A good day was had by all, and we look forward to the opportunity of taking our growers to the field days again next year.

**ANNE CAWTE** – Grower Services Representative  
Ph: 533 6212 ext 835

# Orchard Activities for the coming period

## AVOCADO

### Administration

- Review your avocado comparative report to identify areas of your management programme you can focus on to improve orchard performance.
- Register with the AIC. The "early bird" registration for the coming season discount ends on 1 July.

### Crop Protection

- With the winter cold the pressure from most insect pests will decline, however, Greenhouse Thrips don't mind the cold and may become a problem if not controlled. To control Thrips the AIC recommend using either Calypso or D-C-Tron Plus oil.
- Keep applying copper fungicides ensuring good coverage is being achieved by your sprayer setup.

### Nutrition

- Consider foliar nitrogen and magnesium sprays should leaf condition decline.
- Discuss fertiliser program options in line with your tree condition and crop loading. Small solid fertiliser inputs may be considered at this time, ensuring that the fertiliser used will be effective in low temperatures and wet soils.

### Canopy Management

- Remove all dead wood and obstructions. Reduce tree height strategically. Thin if necessary.
- Frost protection: Make sure that young trees are under cover using frost cloth or equivalent material. Frost damaged leaves can be treated with regular applications of foliar nitrogen.
- Avocado roots are extremely sensitive to water logging even for short periods. This is a good time to check that all drainage systems are working effectively to prevent excessive surface water in the orchard in the winter. Identify the cause of wet spots in the orchard so that you can take remedial action in the summer.
- Make every effort to keep vehicles out of the orchard in winter to prevent soil compaction.

## KIWIFRUIT

### Canopy Management

- Ensure bad leader crowns are removed to promote replacement growth from the leader and reduce scale pressure.
- Where surplus wood exists, remove poor quality replacement cane prior to pruning gangs commencing work, to ensure only the best quality wood is used.
- Regularly monitor pruner performance. Winter bud targets should aim for well spaced, high quality buds in the range 25-30/m<sup>2</sup> for Hayward and 30-35/m<sup>2</sup> for Hort16A. This will help to avoid high thinning costs due to excessive flower numbers in spring.

### Soil Management

- Autumn is a good time to address soil drainage issues. Aerating compacted soils with rippers is only effective if the soil is dry as this allows soil fracturing to occur.

### Crop Protection

- As the historical incidence of pests is the best predictor of what pest issues you can expect next year, review your packout report and reject analysis to identify any pest issues you need address.
- The incidence of sooty mould has been an issue for some this season. Sooty mould can be attributed to either Passionvine Hoppers (PVH) or Cicadas. Sooty mould associated with PVH is typically located at the top of the fruit compared to that sooty mould associated with cicadas which is generally spottier in appearance and is more often around the side of the fruit. While some PVH lay eggs in fruit stalks and timber support structures within the orchard the vast majority of PVH originate outside the orchard, therefore the best control option is preventing the adults ever entering the orchard. This is done by either removing or spraying host plants in the orchard boundary areas. Spraying host plants in spring with the systemic insecticide Actara has previously proved effective in controlling nymphs and adults – though care is needed as Actara is very toxic to Honeybees. Unfortunately in the case of cicadas, trial work to date with various insecticides have been ineffective in controlling adults and eggs, however, further trials of systemic insecticides targeting the nymphs feeding on the kiwifruit vine roots are planned.



Figure 1. Sooty mould on Hayward fruit as a result of Passionvine Hopper (PVH) adults feeding on phloem sap and excreting honeydew, a sugary substance, in which sooty mould grows.

If you have any questions please call Dr Tim Woodward.

**DR TIM WOODWARD** – Technical Manager  
P: 07 533 6212 ext 817

# Special thanks

I have really enjoyed my first few months with Aerocool and would like to thank our clients for the warm welcome I have received. I would also like to acknowledge the team at Aerocool for providing a supportive work environment during this period.

Aerocool have made strategic investments recently and I am extremely confident that this will lead to a strong performance this season and in the seasons to come. We have been successful in attracting some new growers throughout the year on the back of a strong performance and I hope that this year's performance will live up to our high expectations.

After the busy harvest season, our primary focus will be on attracting quality Kiwifruit Growers into our pool. Procuring new crops can be challenging and we have found that the best form of advertising is via 'word of mouth'. This is why it is so important to us that our growers are well looked after. Constructive feedback (both positive and negative), is very valuable so please feel free to provide this liberally anytime.

If you know of quality growers who may be interested in utilising our first class technology, service and expertise, please assist us in contacting them. Your help, and continued support is greatly appreciated.

**TOBY POTTER** – Grower Services Representative  
Ph: 533 6212 ext 802