

COOLNEWS # 8

May 2006

NEWS FROM THE FIELD – BIRLEY SITE

What a great start to the picking season with a good volume of kiwistart fruit coming through at good TZI and TZG levels. Then we died in the hole. Weather and difficulty getting the modified brix levels cleared has been a real challenge. It is only in the last few days that we have managed to get consistent volumes of 6.2 fruit for mainpack so Mark is right into it.

We are now planning to pick and load CA volumes as well but again there has been difficulty not just with achieving a good Brix (a minimum of 6.8 is required) but ensuring that the grower is maximizing their TZG values as well. There are also the Supplier Taste Categories to consider as well, as ideally we would like a mix of Japan and non-Japan fruit in each room.

We will have packed by the end of this week 38% of main pack fruit. CA will be loaded weather permitting over the next 10 days to 2 weeks and this volume will not impact on our ability to continue to get the mainpack shed fruit picked. We will still be picking into June and only hope that the weather is going to be kind to us. A recent Zespri report suggests that the industry will all be packing until the 20th June!!

The average TZG is .40 for the industry. Remember that young vines and the girdled ones may have been targeted by facilities for kiwistart. Te Matai and Rangiora Road areas are .39, and then the rest of Te Puke is .42 as is Tauranga and Katikati. We will have more Aerocool data at the end of the season.

We have packed approximately 60% of the gold during a window between the rain and no main pack green fruit. For growers wishing to contact the shed after hours you are best to ring either the grader managers Mark or Carlos on 572 7364 or Vanessa for EDI queries on 572 7363. Dave can be contacted on 573 6761 or 027 4573 012

NEWS FROM THE FIELD – MOUNT SITE

At last we have managed to string 5 full picking days together from the last fortnight. The saturated grounds have highlighted the need for good loading areas.

We got off to such a good start with the early harvest programme but a lot of that advantage has been diluted by the rain. There is a real risk of over picking relative to shed capacity as we are curing fruit out to a maximum of 96 hours already.

Harvesting fruit for CA storage has commenced in Tauranga and Te Puke and this will help to alleviate shed packing pressure.

The adage of 'making hay while the sun shines' is very pertinent and we should be at least 50% of the way through our main pack volumes by May 20th.

Realistically, making allowance for further wet weather, it is likely that harvest will not be finished until mid June, hopefully a little earlier if dry weather continues. If you are at all concerned please let us know and we will do our best.

Maturity testing results still continue to confound, generally speaking dry matter levels are still increasing slightly, but variability is widening and therefore TZI values are not changing greatly and in some instances dropping.

Both sites have a large focus this year on improving the quality of our harvesting operations from a fruit handling and quality point of view. To date we have definitely seen a reduction in physical damage and bruising to fruit at the packhouses and we believe this is been confirmed by our audit results and through the pallet checking being conducted at the wharf by Zespri this year.

Further improvements are still being made, however progress has been achieved.



THE PACKING SEASON SO FAR

After a busy period packing in the early weeks of 14 and 15 the last 4 weeks have been one of frustration. The picking delays experienced during the last 2 weeks of April and during the beginning of May have proved difficult for staff whom have only had limited opportunity for work.

To date the limited opportunities for picking have provided sufficient fruit for Aerocool to meet all shipping orders that we have been provided with from Zespri. We have in fact been able to ship additional volumes of GREEN due to other suppliers falling short of their allocated volumes, particularly with GOLD.

In some instances when GOLD has been in short supply the orders have been amended to increase GREEN volumes so the ship can sail on time, on other vessels their departure has been delayed in order for sufficient GOLD to become available for loading.

GOLD is again proving difficult to manage for some suppliers with large volumes of protocol A fruit failing to colour sufficiently onshore and therefore cannot be shipped. On top of that a large number of the failures occurring at the wharf have been for rots and physical damage in GOLD and to a lesser extent GREEN.

The early indications to us are that this season is not going to be a particularly good storing year. Some fruit at ambient temperatures are ripening quite quickly and any fruit with a small cut or any physical damage is softening and turning to a rot very quickly in the coolstores.

It is however still early days and we are hoping that with the arrival of some settled weather the fruit yet to be harvested will hold up better in storage.

Below are some statistics for the two sheds as compared to Zespri data that we have received to the 18th May.

	Aerocool	Zespri
GREEN - packed	1,198,735	23,818,412
- size	32.17	32.02
GOLD - packed	37,054	12,195,992
- size	33.14	33.16
Wharf pallets checked (ECPI*)	72	2042
Wharf pallets fail %	1.38%	8.42%
% Taste Band –Y & V	33%	28%
% Taste Band – T	31%	22%
% Taste Band – R	16%	16%
% Taste Band - M	21%	33%

*ECPI – Export Consignment Pallet Inspection. This year Zespri is conducting inspection of pallets at the wharf prior to loading. If pallets fail the inspection they are returned to the packhouse of origin.

SUPPLIER NEWS

A summary of our first year as a direct supplier to Zespri to date would be “so far so good”.

For the vast majority of what we do little has changed. We still pick, pack, store and load fruit onto trucks just as we did before. The changes have been more subtle and largely internal.

Perhaps the biggest change is that we now receive information directly from Zespri. This includes shipping allocations which are received by Christine and are then allocated to either the Birley or Mount site to fulfil. Southlink still perform the logistic function of trucking fruit from the coolstore and loading it onto the ships.

David Elmes is attending all Zespri and Industry related meetings on Aerocool's behalf and as such we are now directly involved in many decision making forums and committees including the ISG (Industry Supply Group) which is a joint grower, supplier and Zespri forum where many operational and payment issues are discussed and implemented.

We will have a regular section in COOL NEWS relating to supplier activities to keep growers abreast of what's happening and also



payment news

an opportunity to provide feedback to us on any current issues that you feel are important or need addressing.

Please also contact Lesley McKenzie (Ph. 533 2136) who is your KGI representative about any issues you would like to comment upon. Lesley has recently been elected to KGI's executive committee and onto the GREEN Product Group so she is in a very good position to make your views known. Congratulations Lesley.

INTERCHECK RESULTS

Set out below is a table showing the Intercheck results for Class 1 product as at the 17th May for Aerocool and the Industry. This will be updated in each issue of COOL NEWS.

If you would like to know the Intercheck results for your own fruit at any stage please contact either Vanessa or Chris.

	Aerocool GREEN	Zespri GREEN	Aerocool GOLD	Zespri GOLD
Pallets Checked	8	486	0	457
Pallets Fail	0	12	0	52
% Fail	0%	2.5%	0%	11.4%

PICKING AND CARTAGE CHARGES

Growers will be receiving their picking and cartage invoices at the conclusion of packing their orchard. If the orchard is packed in a couple of batches over a period of time the grower will only receive 1 invoice for these services at the conclusion of the KPIN being completely packed. The aim of this is to reduce the number of invoices received from Aerocool Ltd, and to clarify the charges received.

KIWISTART

The first KiwiStart payments will be made in June. This payment will represent 60% of the total KiwiStart money due with the balance due to be paid in September.

The payment has been split this year in order for the value of the compensation payment paid to KiwiStart growers for lost sizing opportunity to be based upon the first forecast from Zespri in August.

In previous years the value has been set prior to the season based upon the previous year's payout. The risk is that if fruit payments change significantly from year to year (as they did from 2004 to 2005) then KiwiStart growers may be overpaid or underpaid with their KiwiStart compensation payments.

FINAL 2005 PROGRESS PAYMENT

The final payment for the 2005 kiwifruit season will be made in June. This will be made up of the final forecasted average progress payment of 9 cents per tray, the Zespri loyalty payment of approximately 9.5 cents per tray and for the Mount Pool growers a logistic and administration rebate.

The 10 cent loyalty payment is only paid to those growers who signed a Zespri rolling 3 year contract in 2005 and is paid on trays shipped not trays packed. Because of this the payment on trays packed will be approximately 9.5 cents once the cost of fruitloss is prorated across all trays evenly.

Growers who elected to receive their loyalty payment directly from Zespri will do so based upon their own individual number of trays shipped.

ADDRESS FORMAT

If there are any concerns in regards to the address format or if you would like a different address on you invoices please contact Jill so that we can update this for you.



avo news

AVOCADO NEWS

Cool News alright! Winter has finally hit with a vengeance and is making kiwifruit growers lives miserable but the cold weather may mean some nice clear sunny cold days to bring those brix levels up.

We would like to host a growers meeting for our growers at the Omokoroa Boat Club. This meeting will take place on Friday 2nd June @ 2.00 p.m.

Please RSVP to Pat at Aerocool by phoning 5727300 so we can register numbers for catering.

We have a speaker from the Bay of Plenty School of Business coming along. This is courtesy of Richard van der Jagt who works at the Polytechnic and is also a new grower into the industry. He is very keen for facilities such as Aerocool to make use of the business skills that the group he has gathered around him have. We thought it was a good opportunity to learn how we can make our horticultural business better and how to survive when events like the crop failure occur. We are sure it will be interesting and something a little different for our field day.

Alistair Young is keen to update you on what has been and what the coming season holds for growers. As always Alistair will present an interesting and informative talk and for those who are not attending the Team Conference it would be an opportunity to catch up on current and forthcoming events. Even those who are attending the Conference should come along so you are better informed at the Conference.

The AIC/AGA are holding their commodity levy referendum later this year and need to consult with growers before this happens. Every six years the AIC must apply to the minister of Agriculture to ask for the continuance of the levy. This is your opportunity to challenge the avocado growers association about the levy that comes out of your crop.

This levy is compulsory, so don't you think you should ask what the levy is used for and how much is it and how much you think it should be. Also are you getting value from the levy you pay? If you export, growers pay the AIC/AGA 50c per tray.

The commodity levy is 15c and the AIC takes 35c as a management fee. For Local Market a 3% levy is taken off the total value you pack.

The AGA will put in writing what your levy pays for and this is your chance to ask questions and to influence what your levy will go towards before this referendum goes to the vote. Come and have your say and ask any relevant questions.

The bar will be open afterwards and Aerocool will provide some tasty morsels as usual. We look forward to seeing you there.

Please read the insert with this newsletter and reply to Mike Swan from Team if you are interested in attending the Mystery Creek field days. This event will only happen if there is enough interest.

Our contract for packing with Aerocool is complete and some of you may have already received yours in the mail. I will be around to visit everyone and if there are any questions please have them ready.

What's happening out there?

Up until a week ago it has been warm and wet. All the warm wet conditions have allowed a large vigorous summer flush. A lot of this flush is still very tender and has not hardened off for winter. One way to harden off this flush is to apply several copper sprays, several weeks apart.

Thrip have been very active and hard to get control over. Now the cold weather has arrived the thrip have become a lot more sluggish. Now you can apply a clean up spray for winter and know that this time it may be the last until spring. Please keep monitoring for pests. I hope you have all done leaf and soil tests so a yearly fertiliser programme can be detailed for your orchard.

Therese Temple
Avocado Field Manager

