



TRUSTED EXPERIENCE

COOL NEWS

A VIEW FROM THE FIELD - Dave & Hugh

Harvest completion is coming to an end and should be completed weather permitting by very early June.

We have had a great spell of weather and fruit has for the most part been harvested at optimum maturity – a stark contrast from last year and it bodes well for a good storage year. If we are allowed a little grizzle it was a pity losing 4 days to rain last week (hard to please are we not?)

Crop yields have been very good, size profile and Dry matter levels tracking very favourably with industry averages to date. It is especially pleasing to see Te Puke crops with a lot better DM results compared to last year.

We are disappointed for your sake at the reject rate levels at packing – the main contributors being Hayward mark, fruit shape and skin blemish. There is some consolation that Class 2 recovery rates have been good and will help to offset the cost of rejects.

We have also managed to keep a steady supply of fruit coming into the shed which has helped to optimise packing capacity, and there has been very little time lost as a result.

There is no doubt that Zespri and Class 2 marketers have an awful lot of fruit to sell this year and we wish them well in their endeavours, but there is little doubt that with the strength of our currency and other factors will impact negatively on grower returns. Financial planning and prioritising expenditure for the new season is a must, particularly where debt : equity ratios are affected by increasing interest rates.

If there is anything we can do to help please make contact. As soon as harvest is completed and Dave Smith is back on deck we will be in more regular contact with you.

OPERATIONS UPDATE - Peter

In our last Coolnews edition I wrote about the start of the season and now, only a few weeks later I am amazed to see that our Controlled Atmosphere storage rooms at both facilities are ready to “close & gas” the last of the rooms. Our Conventional & CA storage managers and their dedicated staff managed to deal with our harvest volumes exceptionally well. Sometimes it felt our trucking yards were more like the Central Station – on time but very crowded!

On top of that, “the little shed” at The Mount keeps defying the logic and keeps challenging the ever-increasing daily production figures of our “big shed” at Paengaroa. Just the other day we had the best volume of fruit going over the grading tables at both facilities in one day, all in grade and a little over 1,000 field bins processed. What an effort! I would like to take this opportunity to say thank you to all our staff and seasonal employees for making it happen for our growers.

Our plans are, weather permitting, to finish main pack, by the end of week 23 (10th June). So far the season has been very kind to us with many un-interrupted days of processing and what seems like an endless fruit supply. Certainly it will be a season of many firsts for Aerocool in the way we are evolving. By the time you read this we will have already had some robust discussion within our management team on the subject of the 2008 season. The planning of further requirements to deal with our capabilities, continuation of our Aerocool Summit & Best Practice Strategy and review of our performance to date will be well underway. There is so much to add and learn from our combined experience. We hope the season has been kind to you and be assured our operations staff keep fruit quality and the best interests of our growers utmost in their minds in all we set out to achieve. Certainly, everybody is now looking forward to a well earned break...before the CA season begins...



kiwi news

SUPPLY REPORT – Grant

Zespri have lifted their total gross estimate to 100m te's, an 11% increase in Green & 16% Gold increase, this is indicated by our packout results which are currently 5% greater on average than our crop estimates.

Our Hayward is shipping ahead of industry. Zespri HW shipping is behind this time last year, for the first time this season, because of a gap in the vessel schedule, which will be made up next week. Week 23 is destined to be a record breaker for loadouts, we have nearly 900 pallets ordered, which equates to 20% of our current inventory.

Gold shipping will recover over the next 2 weeks as we're brought back to equitable share with other suppliers, after a gap in our harvest.

Service level, ie: meeting orders in full, in spec. and on time, this time last year was 96.9% and this year 99.1%, which has seen 4,188 pallets of high quality fruit exported, as Intercheck results show, no failed pallets and a only a small number of defects.

Packed trays	Aerocool		Industry	
	Gold	Green	Gold	Green
submit	156,859	3,441,823	19,067,740	50,354,057
av. size	32.9	34.3	32.7	34.7
% of tot est.	100%	66%	87%	67%

Taste	Aerocool		Industry	
	Gold	Green	Gold	Green
Y	38%	30%	24%	42%
T	14%	37%	25%	29%
R	30%	6%	34%	9%
M	18%	27%	17%	20%

Shipping	Aerocool		Industry	
	Gold	Green	Gold	Green
shipped te's	56,702	1,243,820	9,438,662	16,075,290
shipped % of tot est.	36%	24%	43%	21%

Intercheck	Aerocool		Industry	
	Gold	Green	Gold	Green
%checked	4.8%	3.7%	4.8%	4.5%
pallets checked	4	66	1014	1384
%passed	100%	100%	92.9%	99.8%
pallets passed	4	66	942	1381
adjusted defect	0.29%	0.11%	0.37%	0.11%

NB: All data contained in the tables is current to 31st May

QUALITY & COMPLIANCE – Chris

The Quality Team has been under the spotlight this season as the reject rates in both sites have generally been higher than in previous years. We have completed an analysis which will help to explain the increase.

Defect	2005	2006	2007
Blemish	26.8%	37.99%	15.32%
Shape	28.82%	29.67%	39.76%
Deposit	7.25%	8.51%	19.35%
Hayward Mark	17.94%	32.86%	21.60%
Physical Damage	3.31%	2.64%	2.13%
Pests	0.83%	1.47%	0.82%
Softs	0.11%	1.74%	0.52%
Unders and 46s		Gold	4.72%
		Green	3.48%
Ave reject rates		Gold	25.02%
		Green	17.14%

As you can see the Shape and Deposit defects are both approximately 10% higher than in the past 2 years. Hayward mark (which includes distorted and broken Haywards) and Physical Damage are both lower than last year, but the biggest change is the % of 46's, and undersize. Fruit is firmer with fewer softs, rots and physical damage. We believe that the harvest audits and increased supervision in the orchards have been valuable in preventing potential problems.

The Intercheck results are confirming our findings with no failures to date. We have had no coolstore 'holds' as a result of wharf ECPI checks and Aerocool is currently sitting within the top two suppliers for overall ECPI pallet failures.



payment news

GROWER PAYMENTS – Martin

The final 2006 progress payment was made on Thursday 31 May. This payment includes, for the green pool, an administration and logistics rebate, time drawdown payment, Intercheck rebate and for those growers that were in CA, the final CA compensation payment.

For the gold pool the following payments will be made in addition to the progress payment, administration and logistics rebate, time drawdown payment and Intercheck rebate.

The only payment that is still outstanding from Zespri for the 2006 season is the loyalty payment which is due to be paid on the 22 June. Aerocool will forward this money to the growers as soon as it arrives. The loyalty payment has now been confirmed at \$0.26 per class 1 tray supplied to Zespri at FOBS.

In the May Kiwiflier Zespri has completed its first indicative forecast for the 2007/2008 season of which I would very much encourage all of you to get hold of and read. Zespri's forecasts are as follows:

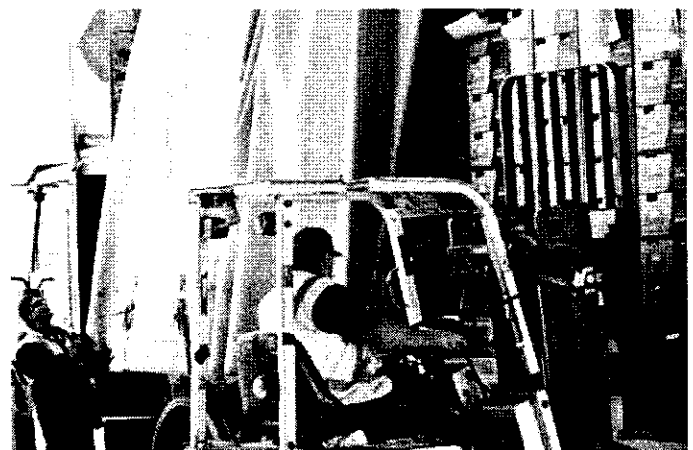
INDICATIVE AMOUNTS FOR	2007/08	2006/07
ZESPRI™ GREEN	\$6.50 to \$6.90	\$7.42
ZESPRI™ GOLD	\$8.50 to \$8.90	\$9.42

The indicative amounts have assumed per tray service costs that are similar to the 2006/07 season. The reduced returns are due to the high dollar in the US, Japan and Euro markets. Aerocool is currently in the process of organising a presentation by Zespri specifically to our growers. This will give growers a chance to meet with Zespri and discuss the financial challenges for the current season. If anyone would like to discuss their financial budgeting and forecasting for the upcoming growing season we are available to assist you in this area.

Dave Smith

We are pleased to report that Dave is well on the road to recovery after his short stint in hospital and he is hoping to be back at work shortly.

2007 Season in full swing



AWO NEWS

Team is hosting two events next month.

- A bus trip to Mystery Creek Field days on Thursday 14th June. The bus is leaving Katikati at 7.45am and returning at approximately 5pm. Cost is \$30 including Field day entry so if you wish to go, its first in first served.

- On Tuesday 19th June, Team is hosting, at the Te Puna Tavern, a road show outlining its strategies for next season. You all have these details from Team, but a reminder never goes astray.

Another event coming up is a mystery creek for Horticulture but without the mystery. The ICE expo is to be held at ENZA Coolstores in Whakatu, Hawke's Bay on Wednesday the 18th July. ICE, an acronym of Innovation, Celebration and Education is the brainchild of Leon Stallard, President of the Hawke's Bay Fruitgrowers' Association. This event is for all Horticulture and is to celebrate and showcase innovation to both current and potential industry participants. If you wish to know more please contact Lesley Wilson 021 898795 or Leon Stallard 027 605 4429.

Well that's the events calendar taken care of. What's happening on the avocado front?

To get an indication of when export might begin, some early dry matter testing will take place. Team has asked that we sample a few orchards and the AIC has started their monitoring this month. It does seem a little early, but there are also those who have not sprayed for export and they will still need to achieve 24% dry matter to pack fruit for local market before export begins.

If you intend to export this year and are not hooked up to the electronic spray diary, now is the time. The AIC intend to have training days for the diary and Juan Rosales will host these. If you have tried to enter data and are having difficulty, contact either the AIC or myself to assist you.

Like most things it is not difficult when you know how.

Somehow in the Bay of Plenty we must work our way out of Biennial Bearing. This season coming is once again going to put many of the growers in the Bay in the position of not cropping in the 08 – 09 season. When crop load is large, trees become very sensitive to Phytophthora attack.

This is even more so if the trees have carried a large crop the previous season. For most that isn't the case, however many orchards have certainly made up for it by over-cropping for this season. If you look at trunk injection the sound and least risky approach would be to inject all trees annually and to give visually sick trees and trees carrying large crops a second injection. Both injections should be done at the standard dose. Injecting in August is to give protection for the spring root flush. Injecting in January, February is to give protection to the summer root flush. Remember in order to fruit the avocado tree must grow. Without new flush and some nice large leaves there is no chance to set crop in the spring. You must have root protection and sufficient carbohydrate reserves in your trees. The timing of injections is important as is the timing of the applications of fertiliser.

The crop loading out there will see the rapid decline of many trees and signs of phytophthora. To keep trees healthy we have to start from the bottom up!

You will receive your export registration papers from the AIC in early June if you have not already received them. Register early to pay less. We will start food/safety audits in around mid June and will need to collect the blue packhouse copy of the export registration for your file.

Tony Ponder is an existing Executive AGA member and Director and Vice Chairman of the AIC since 2005. Tony is seeking Re-election as an AGA member. Tony is a local Team Grower and has all growers' interests at heart. He has extensive experience in horticulture, marketing and commercial business. Going for a second term only shows his commitment and enthusiasm for the role. As Tony states "I am prepared to listen and be accountable to Growers."

Keep vigilant about pest monitoring. I am still seeing leaf roller and thrip out there. The weather has been so mild they are hanging around.

Keep up the good work everyone.

Therese Temple, Avocado Field Manager