



Know-how for Horticulture™

**Young vegetable
grower study tour to
New Zealand
(July 2001)**

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Vegetable Industry
Development Officer,
Victoria

Project Number: VG00094

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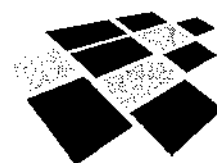
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INTRODUCTION

Global sourcing is becoming increasingly common in the food industry. As retailers consolidate their buying powers around the world, relatively small industries, such as the Australian vegetable industry, risk being left out of supply chain arrangements.

One way to become more relevant is to consider cross-country alliances. Exporting countries in the Southern Hemisphere are beginning to consider the benefits of cooperating with each other.

It seems only logical that the Australian vegetable industry should investigate the possibilities of establishing alliances with the New Zealand industry. In the past, our industry has mainly focused on competition issues. Now, the time has probably come to determine how some synergies can be found.

Following this line of thought, Ausveg (Australian vegetable and potato growers' federation) decided to increase the contact between Australian growers and their counterparts in New Zealand. It was decided that a tour by young Australian growers to assess the reality of the New Zealand industry would be a very useful tool to initiate positive contact.

Two young growers were selected from each State. They were selected due to their involvement in the industry and their leadership potential. Vegfed (NZ vegetable and potato growers' federation) organised the visits in New Zealand, and the participants were assisted during the trip by the Victorian vegetable industry development officer.

Participants met at least 15 New Zealand growers and many more industry people. They had the opportunity to ask relevant questions and to observe the conditions affecting New Zealand growers.

Every night after the visits had concluded, the group met to discuss the lessons learned during the day. Each participant wrote a summary report on the information gathered during the study trip. These summaries have been collated by the Victorian vegetable industry development officer and are presented in this report.

The group visited 15 growers during the tour. Obviously, a sample of only 15 is not sufficient to make definitive statements about the New Zealand vegetable industry. However, bearing in mind the combined industry experience of all participants, it is safe to assume that their findings are not too far from reality.

The conclusions and recommendations have been placed at the beginning of this report to highlight the issues that were important to participants. Following the recommendations, a summary of the findings related to the New Zealand vegetable industry is presented. Finally, a detailed description of most of the businesses visited is provided.

PARTICIPANTS



Back: Steve Newman (SA); Stewart McGee (TAS); Ross Ryan (WA); Craig Medwin (TAS); Jason Menegazzo (NSW); Paul McLaughlin (NSW); Graeme Pitchford (SA); Glenn Abbott (QLD).

Front: Kaine Bulmer (VIC); Patrick Ulloa (IDO-VIC); Richard Kelly (VIC); Anthony Marinovich (WA); Loretta Mauro (QLD).

EXECUTIVE SUMMARY

The young vegetable grower study tour to New Zealand was organised by Ausveg and the different State organisations, with the assistance of Vegfed. The main purpose of the tour was to allow Australian growers to assess the possibilities of establishing strategic alliances with New Zealand growers.

Two young growers were selected from each State. All of them have been involved in the industry, have leadership potential and are committed to the industry. The good selection of the participants proved to be one of the keys to the success of the tour.

Other objectives identified for the trip were to:

- find ways to do business better
- find out how the food industry is changing
- look for opportunities for better alliances
- provide observations about the New Zealand industry.

The tour began on 21 July 2001. The group toured New Zealand's North Island starting in Auckland, going through Pukekohe, Hamilton, Rotorua, Ohakune, Levin, and finishing in Wellington.

During the trip, the touring group visited and interviewed 15 New Zealand growers and met many more industry people. The group also participated in the annual Vegfed conference.

Many advantages enjoyed by the New Zealand industry were clearly evident. New Zealand's natural conditions are very favourable to vegetable production, providing the industry with important comparative advantages in export markets.

The New Zealand vegetable industry has also become very efficient. Unfortunately for the industry, this efficiency is partly the cause of frequent periods of oversupply.

Several successful businesses were identified. All these businesses had very similar characteristics. All of them tended to identify their markets first and then set up appropriate systems to take advantage of the opportunities.

It was perhaps unexpected to discover that the majority of New Zealand growers are not keen to form alliances. Most of them value their identity and independence very highly. This is unfortunate, considering that the competition is so strong that the number of growers in the industry is rapidly declining.

It is clear that businesses where the younger generation is actively involved are more likely to feel positive about the future of the vegetable industry. Obviously, the future of individual businesses and the industry as a whole is directly linked to the proportion of young people willing to join the industry.

One of the major benefits of the tour was the interaction between the young industry participants. All tour participants agreed that they have made important and lasting

connections with the other members of the group. They feel much more inclined to consider alliances with other young growers. They had the opportunity to deal with each other in a non-competitive environment and the effect is likely to be long-lasting.

As a result of the tour, participants have strongly recommended that a comprehensive program be established to bring together the young growers of Australia. They want to participate in more industry tours, youth industry conferences and other activities that will allow them to interact with other industry people with similar interests. An industry youth program could provide the opportunity to address issues affecting them and at the same time establish links between young growers and create the basis for the alliances of tomorrow.

Several of the group participants concluded that although the tour to New Zealand had many benefits, in the future more effort should be put into identifying new and expanding markets. Later, they can look for partners to take advantage of the opportunities. Better still, market tours could be organised in conjunction with potential partners. By identifying the opportunities together they could immediately determine the synergies that would make propositions more viable.

An innovative recommendation was the organisation of working study tours to New Zealand. Participants suggested that young Australian growers could work as managers-in-training on some suitable New Zealand farms. This would allow businesses in both Australia and New Zealand to exchange ideas and to establish stronger links for future alliances.

CONCLUSIONS

- New Zealand enjoys natural conditions that are favourable to vegetable production. These conditions provide the vegetable industry with important comparative advantages in export markets.
- Low labour rates and lack of penalty rates are another advantage for the New Zealand vegetable industry.
- The New Zealand vegetable industry has become very efficient. This efficiency has in part caused over-production. The industry has provided enormous benefits to the community, but it has failed to highlight those benefits.
- Successful businesses identify their markets first, and set up systems second. These businesses are also willing to offer extra services.
- Alliances can provide opportunities to offer more volume and to enjoy economies of scale. However, partners must bring complementary skills to the venture.
- Global alliances are expected to offer year-round supply to export customers. In these situations, country of origin is not important.
- International investment can assist in lifting the technological level of the industry.
- Packing operations may be more profitable than production operations. It is possible to produce and market good quality product without sophisticated equipment and facilities.
- The number of growers is rapidly declining in the New Zealand vegetable industry. This trend is likely to continue.
- Most growers are not willing to form alliances.
- It seems that most growers have not developed formal strategies for their businesses. Growers with no plans other than to continue operating as they always have will find it difficult to survive in the future.
- The market power is very concentrated in New Zealand.
- Supermarkets prefer to deal with larger growers. They also expect year-round supply.
- Brands that can develop a good reputation usually command a premium price. Packaging and presentation are essential elements that can be used to increase market share.
- Businesses where the younger generation is actively involved are more likely to be positive about the future of the vegetable industry.

- The future of individual businesses and the industry as a whole is directly linked to the number of young people willing to join the industry. We need to find a way to make vegetable production more attractive to the younger generation.
- Land availability and low population are the main limiting factors for expansion of the New Zealand vegetable industry.
- The general public is not willing to pay a premium for organic products.
- The '5+ a day' promotional campaign that reminds New Zealanders to eat at least five or more serves of fruit and vegetables each day seems to be very effective.
- Communication is going to be the big key to good business development in the future.
- The environment, food safety and traceability will become very important issues.
- Even with all the challenges that confront the vegetable industry, those who remain really love what they do.
- One of the major benefits of the tour was the interaction between the young industry participants. All tour participants agreed that they have made important and lasting connections with the other members of the group. They feel much more inclined to consider alliances with other young growers. They had the opportunity to deal with each other in a non-competitive environment and the effect is likely to be long-lasting.
- Several of the group participants concluded that although the tour to New Zealand had many benefits, in the future more efforts should be put into identifying new and expanding markets. Later, they can look for partners to take advantage of the opportunities. Better still, market tours could be organised in conjunction with potential partners.

RECOMMENDATIONS

- Establish a comprehensive program to bring together the young growers of Australia. They need to participate in more industry tours, relevant conferences and other activities that will allow them to create the alliances of tomorrow.
- Organise industry tours for young Australian and New Zealand growers to new and emerging markets. This will allow them to identify opportunities together and assess if an alliance may be the best way to take advantage of the potential market.
- Investigate the possibility of joint Australia–New Zealand stands at Fresh Produce expos in target countries.
- Organise working study tours for young Australian growers to work as managers-in-training on New Zealand farms. This type of interchange would strengthen the ties between Australian and New Zealand growers and would accelerate the formation of future alliances.
- Facilitate opportunities for Australian growers to form alliances with New Zealand exporters to increase their volumes and extend their season.
- Set up an email link and/or access to the industry website for young growers in Australia and New Zealand to maintain communication.



GENERAL FINDINGS

The New Zealand vegetable industry

- Due to New Zealand's weather conditions, growers can produce good quality product all year round without the extreme weather differences experienced in Australia. Irrigation is not a major issue. Also, soil types are very suited to growing vegetables all year round. Even cool storage is not a critical factor. These natural conditions allow New Zealand to gain advantages in export markets.
- Labour rates are lower in New Zealand. Growers do not have to worry about penalty rates or superannuation either.
- Most businesses that could be classified as successful had several features in common. They have identified their markets and have tailored their business structure and production to suit customer demand. When exporting, these businesses take advantage of windows of opportunity. For the domestic market they offer supply every day of the year.
- Businesses that are willing to offer some extra services, such as mixing pallets and providing better packaging, are doing well in the market.
- Some growers have been able to establish successful alliances to offer more volume and to gain economies of scale. These larger businesses usually organise technical assistance for other contracted growers.
- Growers pay special attention to exporting, packaging and presentation of their products. Many people think that in five years growers will be more streamlined and will specialise in specific lines. They will be able to produce an even higher quality product.
- Some advanced companies are already attempting to globalise their operations. They have established operations in China and are looking for suppliers in other countries to offer year-round supply to their export customers. These companies are not really concerned about where the product comes from.
- There is active international investment in the industry. Some of the international investment identified includes Tesco onions, Dutch hothouses and Australian investment for carrot production.
- Many industry people have found that their packaging operations are more profitable than their growing operations.
- Some growers have established an interesting land swapping system to facilitate crop rotation. If the areas swapped are not exactly the same size, they just pay a lease for the difference.
- In general, costs of production have increased and returns have decreased.

- Larger growers are becoming bigger and many small growers are leaving the industry. The numbers of growers have fallen from 5,000 in 1990 to 3,000 in 2001. Most people think that this trend will continue. Some people went as far as predicting that in the future there will be as few as 50 growers left in New Zealand.
- Although growers acknowledge that getting together with other industry people is a sensible strategy, most growers interviewed do not want to form alliances. They fear losing their identity and independence.
- The tour participants noted that only a few of the growers interviewed had an idea of where they wanted to be in the future or how they were going to get there. Only the most successful growers seemed to have some formal strategies developed.

The market

- New Zealanders are changing their eating habits and are more willing to try different foods (e.g. pasta). This is having an impact in the industry.
- New Zealand does not have a central market system like the one in Australia. Prices seem to be more stable (usually lower) and do not fluctuate as violently as they do in Australia.
- The market power is very concentrated in New Zealand. There are three main buyers that purchase 50% of the total fresh market crop. Another 500 buyers purchase the other 50% of production.
- Supermarkets want consistent supply of quality products 52 weeks of the year. They prefer to source these products from larger growers who grow and also buy from other growers to maintain continuous supply. Some industry people think that these larger growers are sometimes willing to accept some losses just to keep their market share.
- Most contracts with supermarkets are only 'handshake' agreements. However, most people felt that agreements were respected.
- Prices have remained at similar levels for a long time. The prices of the top 30 crops did not move from 1990 to 1998.
- Excessively high prices can sometimes be detrimental to growers. Once prices rise above certain levels, consumers switch to alternatives (i.e. frozen products). Later, it takes a long time to recover normal sales levels, even with lower prices.
- Most growers selling through agents work on a pre-sold system. Growers only deliver products that have already been sold by the agent.
- Some brands have developed a good reputation for quality and usually command a premium price.

- The interest in organic products is limited. People want organic products but they are not prepared to pay the extra price.

Challenges

- As the current generation of growers is getting older, not many young people seem to be willing to take over. The younger generation is not keen on the long working hours and poor returns. Some young people may want to start in the industry but the level of capital required these days is too high.
- There is great competition for land resources. The dairy industry and hobby farmers are fiercely competing for the land available. This fierce competition causes the land to be expensive and holdings tend to be kept small.
- One of the main problems for the industry is the country's low population. Consumption of several products has reached its peak and there is no scope for expansion.
- The public is concerned about environmental issues. Also, food safety and traceability will become important. The industry is beginning to feel that pressure.
- Even though the public is not willing to pay more for organic products, the government has a goal of converting the whole industry to organic production.

Industry organisation

- Vegfed is the organisation in charge of representing and assisting the New Zealand vegetable industry. Vegfed coordinates the industry's R&D and promotional programs. The industry decides the level of levies collected and what proportion is used for R&D and promotion. The industry does not receive matching funds from the government.
- Vegfed is running a very successful promotion campaign for fruit and vegetables. It is called the '5+ a day' campaign. Improvement in sales has been hard to measure, but surveys suggest that 80% of the public is aware of the program. The program covers in-school promotions, learning aids and cooking segments on TV and radio. The yearly budget for the campaign is approximately NZ\$500,000.
- Another of the developments by Vegfed is the establishment of its own quality assurance program. The program seems to be supported by most growers and is recognised by all major retailers.
- Vegfed plays an important role in technology transfer. For example, it provides growers with information cards about pest and disease identification. The information cards also provide control recommendations.

TOUR REPORT

Friday 20 July 2001 (Sydney)

Briefing Session at Horticulture Australia

Horticulture Australia organised an introductory session for the touring group. The purpose of this session was to set the scene for the trip and to assist the touring growers to focus on the main objectives of the study trip.

The main objectives identified for the trip were:

- Find ways to do business better
- Find out how doing business in the food industry is changing
- Look for opportunities for better alliances
- Provide personal observations about the NZ industry and its people.



Briefing session at Horticulture Australia

Three industry people, Brian Newman, John Baker, and Jonathan Eccles, were the presenters for the day. Brian Newman outlined the expectations of the trip; John Baker explained the role of partnerships and alliances in modern business; and Jonathan Eccles provided guidelines about reporting requirements for all participants.

Brian Newman explained that the main objective of the study trip was to identify opportunities to create alliances between Australian and New Zealand growers. Tour participants were expected to find evidence that their challenges are not unique and that Australian growers could do a better job by working together with other growers – even with those growers that in the past might have only been seen as competitors.

Brian also reminded growers to look beyond vegetable production issues and identify how they can do business better. Brian asked growers to identify how the marketing environment is rapidly changing and, in particular, how NZ growers are responding to these challenges.

Brian felt that the tour participants should try to identify NZ growers with similar objectives and markets, and to assess if there is any possibility for cooperation, establishing networks and alliances.

John Baker provided some insights relating to the Australian vegetable industry in the world markets. He said that supermarkets are becoming very important. Even in South East Asia supermarkets are improving their position. In some Asian countries such as Japan and Taiwan, the population is proportionally older and vegetable production is less attractive.

Unfortunately, John commented, the Australian position is not the strongest. In Australia we do not have the critical mass to make a major impact on export markets. However, Australia does have some comparative advantages. There is a wide geographical spread for vegetable production, north–south and east–west, that is not generally found in other countries. Even China is very seasonal in its production.

Australia has a good level of management skills and ready access to technology. The infrastructure and transport are also in good shape.

John thinks that to profit from our advantages, Australian growers need to get into a niche market, or ensure through alliances that Australia gains access to those niche markets.

Specifically for the trip, John stressed that tour participants should try to identify what marketing activities are being carried out by the industry in New Zealand. To do this, he suggested that growers ask the following questions:

- What got you into vegetables?
- Why are you growing these products and why are you targeting those niches?
- What are you doing now that is different to what you were doing three years ago?
- What will you be doing differently in three years time? New production methods, new markets, new marketing?

Jonathan Eccles explained that participants were required to prepare a report after the tour was concluded. Reports should include ideas, contacts and personal views. Jonathan advised participants to observe and identify potential benefits for the Australian vegetable industry. He also recommended that the group get together every night after the visits and interviews to discuss and make some extra notes. This recommendation was later followed by the group and proved to be very successful.

Saturday 21 July 2001 (Wiamauku – Auckland)

Beekist Greenhouses

Contact Trevor Conquer

Description of the business

Beekist produces, packs and markets high quality tomatoes for the New Zealand market. The company has been operating for 11 years. The annual turnover of the production side is NZ\$1 million, and the turnover for the packing side is NZ\$7 million. The general manager, Trevor Conquer, estimates a 20% profit margin.

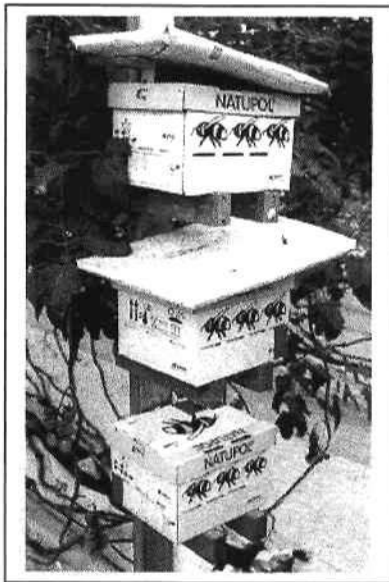
The company produces its own tomatoes in a 1.2-hectare greenhouse. Beekist also contracts 28 growers who receive technical assistance through a production consultant employed by Beekist. This level of support has allowed Beekist to develop a reputation for high quality.

Beekist is a medium-sized business employing 17 full-time staff, sometimes with additional contract labour. Most of the employees are migrants from the Pacific islands.

Trevor acknowledged that there are other companies that produce more than Beekist. Those companies have been able to grow bigger than Beekist because they have been established as partnerships.

Specialisation is the strategy followed by Beekist. The company is not interested in growing other crops, preferring to grow and pack one product only. According to Trevor, it is already hard enough to achieve the high quality levels expected by the market. Growing more crops would make it impossible for Beekist to provide the level of quality that customers are used to.

Production



Bumblebees are highly regarded in NZ

The cost of the greenhouse was NZ\$1.2 million. In that plastic greenhouse, Beekist produces 50 kilograms of tomatoes per square metre. Growing four types of tomatoes, it maintains 10,000 plants per hectare producing all year round. However, most of the production is obtained during a nine-month period, with peak production in summer. Production is negligible during winter.

The production process for one crop takes approximately eight weeks from planting to harvest. The company buys its seedlings from a professional nursery. It costs NZ\$20,000 per month to heat the greenhouse using natural gas.

As part of the production process, Beekist uses bumblebees for pollination. Bumblebees are highly

regarded in the New Zealand greenhouse industry because they are really effective. At NZ\$150 for a box of bumblebees, several boxes are required to cover the whole greenhouse.

Trevor claims that no fungicides are used during production. He says that Beekist tomatoes are practically organic. Diseases are kept under control through crop hygiene and environmental control. However, it would seem likely that some spot treatment with targeted fungicide applications could be beneficial.

Packing

Beekist charges its contract growers for the packing service it provides. In fact, more money is made in the packing side of the business. For packing they use returnable crates provided by the wholesalers. Beekist pays NZ\$1 every time they use a crate. Trevor finds the crate system excellent. The crates are washed with an ultrasonic washing machine.

The packing operation is simple but clean and orderly. In this packing operation, five people can pack 25 tonnes of tomatoes in a 10-hour shift (500 kilograms per person per hour).

Marketing

Beekist has three different grades of tomatoes. The first grade is branded as Beekist, the second grade is sold under a different brand, and the third grade is not branded at all.

The company supplies the Beekist brand product exclusively to the Foodstuffs supermarket chain. The brand has developed a good reputation and commands a premium price for quality. Trevor is happy with his 'handshake' agreement with Foodstuffs. According to Trevor, Foodstuffs has a good policy for all suppliers. Trevor believes that because Foodstuffs is a chain of independent retailers, it tends to be more understanding than corporate supermarkets.

Beekist is not currently exporting to Asian markets. Export orders are often inconsistent and require larger quantities than the company can supply, even including the production of the 28 contracted growers. The company would not be able to promise continuous supply to Asian markets.

Trevor finds that there are too many restrictions to enter the Australian market, and Pacific island nations are only interested in second grade product. They cannot afford the top quality Beekist brand.

The main competition in winter comes from imported Queensland tomatoes which tend to flood the market causing huge reduction in prices. Still, there has been a general growth in demand for tomatoes. Trevor thinks that this demand is the result of increased 'per capita' consumption in New Zealand.



Plastic cover for returnable crates

For promotion, the company uses attractive plastic covers for the returnable crates. Some of these covers have claims about the production system being environmentally friendly. As yet, the company does not have a formal program to demonstrate good environmental performance. Trevor indicated that there is no specific definition of what 'environmentally friendly' means.

The greenhouse vegetable industry

The industry is slowly expanding. Some producers are establishing while older ones are getting out of the industry. There has been corporate investment in the industry but observers are expecting to see some of the investors leave the industry.

Wages in New Zealand are lower than in Australia. The minimum wage is about NZ\$7.50 an hour with no overtime penalties. The greenhouse industry usually pays slightly higher rates to ensure good labour.

The industry is supported by Vegfed (New Zealand Vegetable and Potato Growers' Federation). For example, Vegfed established a Quality Assurance program that was acceptable to the industry. Vegfed then approached the supermarket chains and most of them accepted the Vegfed QA system.

Challenges

According to Trevor, one of the main problems for the industry is New Zealand's small population, which limits the growth opportunities for Beekist. Also, Trevor finds that the greenhouse tomato business provides a low return on investment. His main motivation to continue with the business is that he finds the activity very satisfying when things are going well. He thinks it is very rewarding to produce something with your own hands.

Another challenge for the industry is that the younger generation does not like to work in horticulture.

Trevor feels that the pressures on growers are always increasing. Growers are expected to do more and more for less and less. The public believes that fruit and vegetables are too expensive. At the moment, the only options for growers seem to be to increase production and work smarter.

Opportunities

In Trevor's opinion, Beekist would be in a good position to pack Australian tomatoes in winter.

Sunday 22 July 2001 (Pukekohe)

Status Produce

Contact Brian Nicklin

Description of the business

The company was formed nearly six years ago when six partners decided to join forces to establish a glasshouse venture. The partners included four tomato growers, a hothouse builder and a Dutch investor.

Not many businesses in the vegetable industry have been formed in this manner. Status Produce benefits from the different skills and resources provided by the partners, enabling the company to produce and pack products for specific markets.

For example, the Dutch partner allowed the company to access glasshouse technology developed in Holland, the local hothouse builder has provided his building skills, and the four growers have provided their horticultural expertise.

The company grows and packs tomatoes and cucumbers under a 5-hectare production complex which includes a glasshouse and packing facilities. The company also contracts production from other growers.

Production

The production complex includes six joined glasshouses. They produce 60–70 kilograms of tomatoes per square metre over 12 months. Status Produce grows 25,000 plants in each glasshouse.



Tasks are recorded using electronic technology

The company uses information technology as much as possible. For example, all tasks performed by the operators are recorded using an electronic recording station. The information is then transmitted to the main computer for data analysis.

The company has established an IPM program which includes the use of parasite wasps. Like other greenhouse tomato growers, the company claims they do not use fungicides to control diseases.

The production complex is connected to a gas line used for heating. The complex also includes a sophisticated UV system for water disinfection.

Marketing

Status Produce mainly supplies the domestic market (80%). Its export markets include Japan and Europe, the export products being vine tomatoes. It also exports other specific tomato lines to other Pacific islands. Status Produce also exports products to Australia but

usually finds it hard to supply the volumes required. In New Zealand, the company supplies supermarkets and fast food chains, such as Burger King and McDonalds.

Two marketing specialists coordinate domestic contracts and the export orders. As a result of the high product quality and the value adding strategy followed by the company, Status Produce has had no choice but to continue to expand its packing facilities. Their strategy includes having different lines for different customers.

This company pays special attention to the use of interesting and attractive packaging materials and methods. For example, tomatoes and cucumbers are packed together as 'salad solutions'. They also offer a large number of different combinations of pack sizes and products.



An example of salad solutions

It is clear that packaging and presentation is an essential element used by companies to increase their market share.

The greenhouse industry

The industry hourly flat rate is NZ\$9–14. The company does not have to worry about penalty rates.

The vegetable federation (Vegfed) has an important role in technology transfer. The federation has provided all businesses in the industry with a number of pamphlets to aid with pest and disease identification and practical control measures.

The federation considers that its main mission is to provide technical assistance.

Challenges

The company has identified that the price paid by customers is dropping 10 cents per kilogram each year. This places a lot of pressure on the company to continuously improve efficiency.

Status Produce is unable to export some of its high quality vine tomatoes to Australia due to quarantine restrictions.

Although this is a very good operation which has obviously benefited from the skills of all its partners, the partnership is starting to show a few signs of difficulties due to differing partner perspectives.

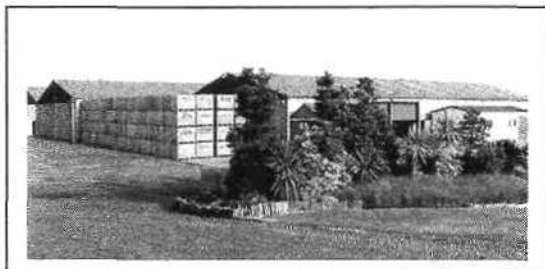
Opportunities

The partners are seriously considering establishing part of this business in Australia. They have already visited suitable production areas in Australia and have contacted some potential partners.

Sofresh

Contact Lex Wilcox

Description of the business



Sofresh packing facilities

Sofresh grows, packs, and markets potatoes, onions, carrots and persimmons. Although the company is a family business, the facilities and infrastructure are quite developed compared with most horticultural businesses.

Lex Wilcox and his brothers are the main partners, and another five family members actively participate in the business.

The company is heavily involved in onion exports. It exports 85% of its total onion production. Sofresh has become a central point for other growers as well, as it contracts production and then packs and markets products for other growers.

In the domestic market, Sofresh has become a logistic company for a major retail chain. Sofresh builds mixed pallets (i.e. potatoes, carrots and onions together) and then delivers those pallets to the distribution centre ready to be redistributed to the supermarket stores.

Sofresh is unusual in the sense that family members of the younger generation actively participate in the business. This fact alone may be the reason the partners have a more positive outlook about the future.

Production

Sofresh has set up three different locations to produce its crops. It plants 450 hectares of onions and 400 hectares of potatoes. Potatoes are mainly grown for the domestic market and supplied as brushed and washed potatoes. Part of the potato production (3500 tonnes) is dedicated to the processing industry. The company also grows carrots.

Sofresh plans its planting schedule 12 months in advance. It is able to do this due to the company's close association with its customers and contract growers. However, land availability can sometimes be a problem.

The cost of purchasing land in the area is NZ\$12,000–15,000 per acre. The cost of leasing land is NZ\$500 per acre. Growers in the area have established an interesting land swapping system to facilitate crop rotation. They swap land with other growers and then lease only the area that has not been swapped. For example, Sofresh may want to swap a 10-hectare paddock with another grower. If the other grower has a 15-hectare paddock, they swap the first 10 hectares and then Sofresh leases 5 hectares from the other grower.

Marketing

Sofresh is definitely market and sales driven, not production driven.

Onions are primarily produced for export, mainly to Europe (UK) and Japan. Onions are exported in bulk, and importers pack the onions once they arrive at their destination.

UK customers are very demanding. In that market, Sofresh supplies only one supermarket chain. Because the products are actually packed by the importer, the supermarket chain applies its own brand to the product. Therefore the product loses its Sofresh identity once it reaches the UK market. However, Sofresh does not regard this as an issue.

Organic products are trendy in Europe, but they only represent a small part of the total demand.

Sofresh's major competitors in the European market include other southern hemisphere countries such as Chile, Argentina and South Africa. Tasmania was also mentioned as an important competitor.

Some lower grade products from Sofresh are exported to other Pacific nations.

In New Zealand, the company also supplies only one supermarket chain. It has a very good relationship with this retailer. In the domestic market, the company maintains its own brand name.

Because Sofresh found the wholesale system to be unsatisfactory, it decided to supply directly to supermarkets. Once a business relationship was established with a retailer, Sofresh was requested to provide a stable supply all year round.

The company has been able to respond to this requirement and now supplies year round. Lex acknowledges that they did not plan this strategy – things just evolved as they made an effort to respond to customer requests. Sofresh has become a major supplier by producing large volumes of good quality produce and consistent supply year round.

Sofresh does not market itself as the cheapest supplier. The company demands a good price for quality supply. Usually, price is the last thing on the agenda when meeting customers. Other more important issues include quality, supply and presentation. If potential customers are only interested in price, then the company is not keen to establish a business relationship.

The company is more interested in issues such as long-term relationships, quality and security of payment. That is why it has established a strong relationship with only one major retailer, developing a reputation as a reliable and sustainable supplier.

This does not mean that Sofresh disregard the issue of price. The company periodically surveys retail prices and estimates normal retailer markups. Based on that information, Sofresh is able to give its customers the best possible price.

Lex believes that growers can develop good relationships with supermarkets. He thinks that if suppliers perform well, any of the three supermarket groups in New Zealand will look after the growers. It is a long-term investment.

In the domestic market, the company pays close attention to product presentation and packaging. Unfortunately, many New Zealand consumers do not like pre-packed potatoes, carrots or onions. They think there is something wrong with the product and that is why it

has been pre-packed. However, there are some people who do prefer those products pre-packed, so the company also supplies these products.

The industry

The number of growers in the area has continually decreased in the last few decades. Thirty years ago there were approximately 70 growers in the area; now there are only 20. Lex believes that this number will be reduced even further.

Supermarkets dominate the scene. There are fewer outlets for growers to market their products. At the same time, some of the growers and distributors are also consolidating.

This supplier consolidation must be handled carefully, according to Lex. He thinks there is a danger that retailers may interpret this situation as the formation of cartels.

The vegetable industry has become very efficient. That efficiency is one of the reasons for over-production. In many ways, the industry has provided enormous benefits to the community, but it has failed to highlight those benefits.

In general, Lex seems to hold great confidence in the industry. Most of the tour participants felt that having the younger generation actively participating in the business was an important factor in Lex's positive outlook.

Challenges

In New Zealand forward planning is generally not formalised. Whereas UK customers will specify exactly the tonnes they need, in New Zealand the company has to analyse historical data to estimate the production that will be required.

It is clear that consumption of potatoes has reached its peak in New Zealand. There is no more scope for expansion and it is likely that many more growers will leave the industry.

Customers are slightly concerned about food safety and the environment. Some initiatives, such as Nature's Choice, are the result of such concerns. The vegetable industry needs to have better public relations.

Until now, Sofresh has developed in a manner that has allowed the company to establish good relationships with its major customers. In the future, the company will probably need to clarify its strategies to ensure the company moves in a predetermined direction instead of just evolving in response to market pressures.

R C Hari and Sons

Contact Patch Hari

Description of the business

R C Hari and Sons is a family business that specialises in growing lettuce, cauliflower, broccoli and onions. They have been involved with the vegetable industry for 40 years.

Production

R C Hari and Sons grow a total of 400 acres. Each week they plant 2 acres of iceberg lettuce, 2 acres of cauliflowers and 1 acre of cabbages. They also produce onions.

Most of the soil in the region is volcanic clay. The business participates in the local land swap arrangement and also leases land as required. The cost of the leased land is NZ\$600 per acre.

R C Hari and Sons follow an IPM system of pest control, employing diamondback moth scouts.

Marketing

The competition is very strong. R C Hari and Sons have found that product presentation makes a big difference.

They supply one of the major retailer chains (Woolworths). They also grow onions for Sofresh and they export some of their production through an exporter.

The industry

Pukekohe is the main growing region in New Zealand. Growers are organised in a federation that brings together a total of 32 local associations.

Most growers are becoming specialised. They tend to become aligned with a single buyer and engage in direct sales. In this environment, Patch Hari thinks that growers should unite for marketing purposes. However, it seems that most growers, even though they talk to each other, do not want to lose their individuality and identity.

It seems that growers supplying wholesalers are the ones who suffer the most when prices are low. Those growers supplying directly usually obtain slightly higher prices.

It was interesting for tour participants that the cold chain is not a critical factor in New Zealand as it is in Australia.

Challenges

The preferred supplier program tried by some supermarket chains has not been very positive for some of the smaller growers. For example, the retailer Progressive wanted to establish a system where a major grower would be responsible for one crop line. This grower is supposed to buy produce from other smaller growers. The system does not work

when there is an oversupply because the preferred supplier will always sell his product first and the smaller growers are left with no outlet to sell their products.

Another challenge is that local people are not interested in working as vegetable harvesters.

Also, the public is beginning to pressure the industry on environmental issues.

Young Wah Chong Ltd

Contact Howe Young

Description of the business

Young Wah Chong Ltd is a family business established in Pukekohe 50 years ago. Today, the business is run by Howe Young and his four brothers. The business operates eight farms in the area.



Howe Young shows evidence of 'damaging' Australian imports

Howe is an industry leader. He is part of the R&D industry committee and participates actively in activities organised by the national federation, Vegfed.

Although Howe is very colourful in the way he describes the problems affecting the industry, it is obvious that he likes what he is doing.

Production

The business produces potatoes, onions, carrots, lettuce, cabbage and pumpkins. Young Wah Chong Ltd runs eight properties, some of them up to an hour away from Pukekohe.

It is also involved in the dairy industry, managing a total of 500 milking cows.

Marketing

The business does not have a formal marketing plan. It exports approximately 90% of its onions to Japan. The export is undertaken through a broker, who also supplies the packing bags.

The industry

In 1990 there were 5000 growers; now there are only 3500. According to Howe, growers are still leaving the industry.

Howe feels that supermarkets have divided the growers. He thinks that if growers do not work together, they will be squeezed out of the industry. He believes that the industry is part of a global market and that New Zealand growers should be cooperating with each other. Unfortunately, growers are still individualistic.

Some industry developments such as Quality Assurance have assisted growers in becoming more professional, although many growers are not happy about the compliance costs and the added paperwork.

Challenges

Howe does not see a future for the operation. The main issue is that no family members are interested in taking over the business. He seems to understand the position of the younger generation because he believes the vegetable industry represents a lot of work and the returns are very low.

Monday 23 July 2001 (Waikato)

Gordon Meads

Contact Gordon Meads

Description of the business

Gordon Meads runs a small family business with his wife. They have two full-time employees and they also employ some casual workers.

He produces capsicums for the local market. Although the climate in the region is not very suitable for growing capsicums, Gordon's proximity to Hamilton represents an advantage.

Production

Gordon grows capsicums in five hothouses during the colder periods of the year. In summer, he grows his capsicums outside.

He has been able to achieve good yields (25 kilograms per square metre).

As soon as the harvest begins, they have to stop all spray applications. Therefore their IPM program is very important. As part of the program, pest scouts monitor his crop once a week. Also, Bt is used as a biological insecticide.

Marketing

Gordon sends all his production to his marketing agent (Turners and Growers). This arrangement is simpler for his business. The marketing agent also assists in forecasting demand and planning production. As Gordon says, he is happy to be a grower and 'leave the marketing to the experts'.

Gordon does not have any involvement with direct marketing. He tells the agents how much will be produced and then he receives orders from the broker. Another of the arrangements with the marketing agent is that Gordon only despatches product that has already been sold.

It is likely that Gordon would be able to make more money by supplying retailers directly, but the extra income would not be sufficient to compensate for the extra work involved.

Although his production is mainly sold locally, occasionally Gordon has exported part of his production to Japan. It is a very expensive exercise since he has to pay NZ\$4 per kilogram just for freight.

Further research on sea freight would be needed to make export more attractive.

The industry

The capsicum industry in New Zealand is quite large. Eighty per cent of New Zealand's production is exported, mainly to Japan. New Zealand fills the gap left by European producers.

In Auckland, some growers are already working together to take advantage of business opportunities.

Gordon actively encourages his employees to undertake the industry's apprenticeship program. The program has no government subsidies. However, he is happy to pay 50% of the cost for his employees. He believes that apart from the knowledge obtained, training helps to break the monotony of the work.

Challenges

Gordon does not feel confident about the future of the industry. He says that small growers are being forced out by a few large corporate producers. According to Gordon, these large producers have attracted investment from outside the industry. Their facilities are modern and more sophisticated.

These large producers enjoy several marketing advantages. They can offer year-round supply to supermarkets, they enjoy economies of scale and they can supply larger quantities.

Gordon acknowledges that the only real alternative for him may be to join with other smaller growers to market their products. If he tries to offer year-round supply it means that he will never have any rest. By joining other growers he would also be able to fulfil larger orders.

Unfortunately for Gordon, the Waikato area is not a centre of vegetable production. Therefore there are no local growers with whom he could establish an alliance. It is possible that he could establish an alliance with growers around Auckland, but it seems that Gordon really prefers to work on his own.

In the end, Gordon does not see a future in staying as a vegetable grower. As he put it, he 'would not wish this type of life on his kids'.

Opportunities

Sea freight would make exports a better proposition. More R&D would be needed to make sea freight a real option.

Monday 23 July 2001 (Hamilton)

Turners and Growers

Contact Grant Robinson

Description of the business



Turners and Growers' new distribution centre

Turners and Growers is a marketing and distribution business owned by a number of private investors and some fresh produce growers.

The business has three divisions: a division for the domestic market, one for imports and another dealing with exports. The import division handles products from overseas, including Australian products. The export division supplies products to other Pacific nations.

The company has recently established a new distribution centre in Hamilton. It opened in December 2000 and includes cool-store and crate washing facilities. The new distribution centre is the most modern facility the company has. It serves the areas around Hamilton.

The company buys products from growers and then re-sells those products to the different retail food chains. The company delivers to the Pack and Save supermarkets using its own trucks. For other customers contract trucks are used.

The New Zealand market

There are three major food retailers in New Zealand: Food Town, Foodstuffs, and Pack and Save.

Food Town owns its own distribution centre. It has aligned itself with only some growers. As a result Food Town is usually 'priced out of the market'. It cannot enjoy low prices when the market is down.

Pack and Save supermarkets react very quickly and take advantage of specials due to oversupply.

Foodstuffs is a chain of independently owned stores. It will be hard for Foodstuffs to establish its own distribution centre. Foodstuffs tends to prefer certain growers for certain products. In general there is an expectation from customers that what they ask for they will get. For this reason, the product description has to be clearer.

Other independent retailers are more price-sensitive. Also, independent retailers want to have a close look at the produce. This represents a problem for Turners and Growers because it prefers to bring to the distribution centre produce that has already been sold to a retailer. These independent retailers prefer to see the produce on the floor and select as they please. However, the distribution centre is not like a wholesale market where produce is displayed for buyers to choose.

Imports may have a significant effect on lowering market prices. This usually happens when importers over-order and they cause an oversupply.

On the other hand, excessively high prices can also be detrimental to growers. Once prices go above certain levels, consumers switch to alternatives such as frozen products. Consumption of fresh produce falls, and even with lower prices it takes a long time to recover the previous sales levels.

The demand for organic products is slowly growing. People want organic products but they are not prepared to pay the extra price. Turners and Growers believes that organics will eventually become important. The reality is that the push for organics comes from the government. The government has a goal of having all New Zealand produce fully organic in 20 years.

Another important development is that New Zealanders are trying different foods (for example, pasta) and that is affecting the industry.

Suppliers

Grant Robinson thinks that growers should calculate their costs more carefully. He is concerned that sometimes growers sell their products below cost.

The Turners and Growers system

The distribution centre has two separate floors: one is solely for the Foodstuffs retail chain, and the other is for all the other independent retailers.

Foodstuffs and the independent retailers place orders with two to three days of anticipation. During those two or three days, Turners and Growers finds the produce required by contacting growers in its supplier list.

The company coordinates the delivery directly from the grower to the retailers or receives the product in the distribution centre. Regardless of the distribution method, the product is already sold once the growers receive the order from Turners and Growers.



An exclusive section for major customer

The company has several policies in place to ensure its system is maintained. It does not accept unsolicited produce. At the same time, customers cannot return produce after 24 hours. If they have any produce with quality problems, the product is left on hold.

Turners and Growers charges growers a commission for its services. Growers selling more than NZ\$100,000 a year are usually charged an 8% commission. Growers selling less than that amount can be charged up to 15% commission.

In general, customers are not interested in Turners and Growers brand. They prefer to select the grower brands that they already recognise.

The motto of the company is: 'A sale is only a sale when the customer comes back.'

Challenges

Turners and Growers believes that everyone will become more specialised and the retail chains will acquire even more power. The company expects that eventually most growers will have to deliver through a distribution centre. It is therefore getting ready for that.

The company also believes that food safety and traceability will become very important issues.

Thursday 26 July 2001 (Ohakune)

Mountain Carrots

Contact Russell Watts

Description of the business

Mountain Carrots was formed in 1996 with the specific purpose of taking advantage of a window of opportunity in the Japanese market.

The Sunrise Coast export company was already marketing squash to Japan. In 1993 Sunrise Coast had identified an opportunity for marketing carrots between February and April.

Ohakune already had a well-developed carrot industry. Because Ohakune has natural advantages for producing quality carrots between February and April, Sunrise Coast decided to establish their operations in this area.

Sunrise Coast sent samples to Japan and after a good response from the market decided to establish Mountain Carrots. Sunrise Coast felt that grower ownership was important to ensure success of the venture. Mountain Carrots was therefore established as a joint venture between Sunrise Coast (majority shareholder) and three local grower-suppliers.

Sunrise Coast provides the marketing expertise. The local growers provide their production and connections with other local growers.

Mountain Carrots is a very good example of where a marketing opportunity has been identified first and then appropriate production, packing and export systems set up to take advantage of it.

Suppliers

Mountain Carrots contracts eight Ohakune growers to supply 10,000–12,000 tonnes per year. Growers are contracted with part of the production at a fixed price and the rest at market prices. From the production supplied by growers Mountain Carrots obtains 5,000 tonnes of packed carrots per year.

Mountain Carrots employs an agronomist as a field officer to assist growers. The company is convinced that an important part of its work is to educate growers.

Packing

The packing facilities are simple and not excessively sophisticated, although Mountain Carrots has been able to use Japanese brush-washing technology. Tour participants agreed that the company was indeed able to deliver a good quality product without fancy equipment.

The packing facilities process 10,000–12,000 tonnes of carrots between February and April every year. Their output over 24 hours is 120 tonnes. About 50% of the carrots

processed are rejected. These carrots are used for animal feed. Some of the seconds are also finding their way into the domestic market.

Marketing

The marketing window is February to April. Once Japanese growers start their own production, the export business is over for that year. Mountain Carrots exports 65% of its packed production. Eighty per cent of its exports (table grade) are directed to Japan. The rest of the exports (choice grade) are directed to South-East Asia.

Mountain Carrots has more than 15 customers for carrots in Japan. The company maintains a good relationship with these customers. Every year the customers visit Ohakune at the beginning of the season to check the quality of the product. Japanese customers re-pack the product after it arrives in Japan and then they sell it to supermarkets.

The company is making a conscious effort to establish its brand in the Japanese market. Mountain Carrots is quite aware that it can produce excellent quality carrots during its marketing window. It sees further potential for growth and plans to keep expanding. If quality is kept high, the Japanese customers are still happy to pay good prices.

Challenges



Huge amounts of waste produced

Pack-out percentage is low. Also, the export business provides a small return and the company needs more capital for expansion.

Community concerns about the environment are becoming a major challenge for the company. It uses a huge amount of

water in the washing process. The

company must treat the water before discharging into the local stream, as environmental regulations do not allow discharge of excessive amounts of waste into waterways.



Response to environmental concerns

Also, availability of land is becoming a problem for growers leasing land. Land owners have several alternatives, and leasing the land to carrot growers may not be the most profitable alternative.

Opportunities

Mountain Carrots is trying to implement a global strategy. Its goal is to supply its customers year round. The company does not care much where the product comes from. In fact, it is already operating in China.

Mountain Carrots has done this in partnership with local packing operations. It has been challenging. According to Russell Watts, it is better to align with a good company in China. It is a steep learning curve over there.

The company is seeking to establish alliances with growers in other countries to take advantage of the windows of opportunity available to those growers.

W & C Chan

Contact Willie Chan

Description of the business

W & C Chan is a family business operated by two brothers, Willie and Charlie Chan. Willie is in charge of the packing operations while Charlie takes care of the field operations and harvest. Everyone in this business has hands-on tasks and responsibilities to fulfil.

The business specialises in potato and carrot production. W & C Chan is a shareholder of Mountain Carrots.

Production



The Ohakune region enjoys many natural advantages. Its particular type of soil allows growers to work on their paddocks very soon after rain. Also, they have sufficient rainfall so they do not need to irrigate their crops.

Ohakune soils provide a comparative advantage to local growers

Packing

The company packs both carrots and potatoes using the same washer. Their facilities are simple and not over-sophisticated.

Marketing

W & C Chan produces carrots for both the export and domestic markets. It also produces potatoes for the domestic market.

In the domestic market the company mainly supplies two retail chains: Progressive and Woolworths. Supermarkets have many requirements. Usually they just want lower prices. The company always suggests that buyers find another supplier. Until now the supermarkets have not gone anywhere else.

Willie thinks that their success is the result of not taking shortcuts in production and handling.

Ninety to ninety-five per cent of what W & C Chan delivers is pre-sold. Often they are not sure what the price will be, but at least they know they will sell it.

The industry

Ohakune is the only region in the North Island that produces significant quantities of carrots. From the end of September to January there are no carrots available.

Some of the youth in the region do not want to get involved in the industry. Others cannot afford to start. The level of capital required to start up these days is too high.

Challenges

The main challenge for W & C Chan is that there are no family members of the younger generations who are interested in the business. Willie and Charlie will be retiring soon but their sons, who are professional engineers, are not available to run the business.

They want to sell the business. They would not feel confident about delegating some of their responsibilities to employees. They say it is hard to find the right people. They would pay good money for good, dedicated professional managers. However, if the professional managers do not get a share of the business they are not interested.

Both brothers do not see any future for the operation. They say that if someone would offer them a few million for the business, they would walk away.

In fact, they have enough land to double their production if they wanted to do so, but they prefer to produce just enough to fulfil their current commitments.

Opportunities

Willie and Charlie have been able to take advantage of their involvement in export markets by using the same technology for the domestic market.

They think the Australian market is worth it financially. However, they have decided to stay out of that market because they are not prepared to commit themselves any further.



Ohakune Potatoes

Contact Peter Frew

Description of the business

Ohakune Potatoes is a family business run by two brothers, Ron and Peter Frew. They grow and pack potatoes and carrots.

Production

The company produces mainly potatoes on a 220-acre farm. It operates its own packing shed.

Ron and Peter believe that one of their best advantages is the soil. Peter says that they can get to work soon after rain. He is sure there are not many areas where you can do that.

Marketing

Ron and Peter find that export prices are not attractive, so they concentrate on the domestic market. They do, however, export some carrots.

In the domestic market Ohakune Potatoes supplies supermarkets directly. It uses the services of Turners and Growers to coordinate the orders that come from the supermarkets.

The company pays a 10% commission to Turners and Growers, which Ron and Peter feel is too high. However, when prices are low, they do not see the 10% commission as significant.

Peter thinks that people still want to buy product with a brand name.

There are also local community markets where they can sell their products.

The industry

Some growers are getting bigger. Alliances with other growers may be a strategy to respond to the challenge presented by the emergence of larger growers. Peter is not convinced growers can really work together to organise their supply. He says growers are individualistic.

He does not believe that planned growing, where growers are allocated a certain amount of produce to grow, will ever take on. Not even the idea of a common pack house is attractive to Peter. In his opinion, when you have a bigger pack house you lose control and the costs are higher.

Peter would not consider an alliance with other growers. An alliance would mean loss of control, higher costs and loss of individuality. He says that before getting together with other growers they would rather get out of the business.

Friday 27 July 2001 (Levin)

Woodhaven Gardens

Contact John Clark

Description of the business

Woodhaven Gardens grows and packs a number of vegetable crops and provides a one-stop shop to its customers.

John Clark is Woodhaven's owner-manager. He runs his business very professionally. Among the businesses visited during the tour, this one had the clearest strategies for the future. Its strategies are formally documented. However, John feels they could formalise things even more. The company's objective is to add value to everything it does and be a step ahead of other growers.

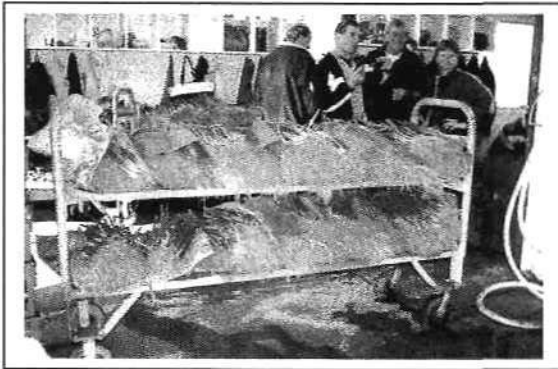
The business is not only well run, but it looks good too. John believes that the professional look of his operation is a competitive advantage. Woodhaven's customer focus is another important advantage.

Production

Woodhaven Gardens grows a wide range of bunched vegetables including parsley and spring onions. They also grow cabbages and cauliflowers.

Having a wide range of products and being close to Wellington allows the company to provide a good service to customers.

Marketing



Ready to sell every day

Woodhaven Gardens is a seven-day operation. It is ready to sell every day. Woodhaven sells through Market Gardeners, Turners and Growers and a third large wholesaler. Unfortunately, not all marketers can manage brands effectively. When a brand is sold to any customer, the brand loses its exclusivity and therefore its value. Also, wholesalers do not provide enough information to growers.

Although one of the advantages for Woodhaven has been its multi-crop strategy, John is considering a change towards specialisation to gain economies of scale.

John thinks his business is not big enough to consider exports.

The industry

According to John, the most noticeable change in the near future will be at the distributor level. In his view, distributors must add value to the grower's business. If they do not add value, they will not last. The supply chain cannot afford extra fat. Successful distributors will most likely get closer to growers.

It is likely that distributors or merchants will get closer to growers by establishing alliances or partnerships.

Challenges

Woodhaven's major constraint at the moment is the lack of capital for expansion. An option is to work with other growers. Unfortunately, many of the growers are very independent. According to John, most growers can't handle the idea of assisting another farmer to make money.

Land availability is a challenge as well. The company needs some security with leasing, preferably at least 10 years security. The dairy industry is putting on a lot of pressure by competing for the land available. Labour may also become a problem in the future.

A constant challenge is to stay ahead of competitors. Competitive advantages developed do not last a long time. As soon as competitors start offering the same things, the advantage is gone.

Opportunities

John is considering forming a consortium with three other growers. The four growers would market one crop together. The consortium would be set up as a separate business. The crop to be marketed is not currently grown by any of the four growers.

The four growers have talked to customers about the idea. They seem to be supportive because retailers want to ensure continuity of supply.

PERSONAL VIEWS

"The greenhouse businesses that we visited showed me that you do not need much land for production. Those businesses were still able to produce vegetables of excellent quality and yield. Also, their turnover was as good." Kaine Bulmer

"We have to look offshore for larger markets and growers must combine and unite to fill those market requirements." Loretta Mauro

"The greatest opportunities for strategic alliances exist for Tasmanian vegetable growers, given the climatic and crop type similarities with NZ." Jason Menegazzo

"This tour of NZ has certainly made me more aware of marketing issues and given me several ideas of ways to improve our own business. I now have a more positive opinion of the alliances we currently have and will keep exploring other opportunities." Graeme Pitchford

"I found the trip very informative, being able to see the different ways of farming and also having the opportunity to meet a lot of people involved in the industry from both Australia and New Zealand." Craig Medwin

"One of the best things to come out of the trip was meeting the other young Australian growers who travelled on the same tour. Now we have good contacts with young growers in the other states. Until now we have been too busy working in our businesses to go out and make contact with other growers who are interested in the wellbeing of the industry." Anthony Marinovich and Ross Ryan

"A benefit of the trip was spending a week with 12 other young people who are involved in the Australian vegetable industry." Stewart McGee

"The trip has been extremely valuable to both my business and me personally. I learned so much from the tour and made invaluable connections with other Australian growers." Steven Newman

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