



on the vine

The 2011 OPAC Grower Newsletter

Issue 2

from the Managing Director

As you read this the packing season will be getting underway in Gisborne and Factory Road sites. Now is the time when we are able to see just how the growing season has treated us and its always an exciting time.

Among a few of the changes for this year Zespri has split the old protocol B fruit into two protocols. This means that we will still have protocol B as well as introducing a protocol C. This is to better understand the physiology of the fruit and allow for better inventory management at both at a post harvest and a Zespri level.

As you will be aware this year also sees a change to the Gold pool which has gone from a 70/30 split to a 50/50 split. Both OPAC and OGL feel this is a better reflection of the financial rewards or risk an individual Growers fruit contributes compared to the percentage that is out of our control to influence.

Even though there have been some changes to processes this year we will still carry over the best practice that proved to help in getting great results last year. This includes that there will be no bin store or CA store for Gold fruit. It will all be packed conventionally and then coolstored until loadout. With a large increase in the gold crop across the industry Zespri are indicating that the last gold could be shipped in week 32 (start of August). The post harvest facilities at both sites will still operate by a "right first time" philosophy. Simply put this means that if we do it right first time there is little potential to handle the fruit more than once. This was the

key to the significant earnings in both the Green and Gold storage pools as repacking costs were very low along with low fruit losses.

Updating this season it would seem that slower colour development and lower TZG's will challenge our inventory management and could lead to greater amounts of Gold volume being suited for later harvest. This will require excellent communications and scheduling to allow us to optimise fruit performance. The OPAC team will do their best to communicate how your orchard fits into the matrix and what we consider will deliver the best outcome for the individual and the total pool of OPAC Growers fruit.

One thing that the harvest team are keeping a very close eye on is the weather. This could potentially throw a curve ball through the season which we are currently keeping in mind to have a plan up our sleeves. This may mean that we use buffer stores for up to 14 days to allow the shed to continue to pack when we cannot pick fruit. We will keep you posted regarding this and Mark and Brendan will talk it through with growers if it is to happen.

The field structure has been modified to share workload and improve quality of our operations. Luis Berger will be managing a streamlined crew structure supported by Graham Howard in the quality management role. Simon Craig will be in charge of machinery and logistics to ensure we have everyone in the right place with the right gear for harvest.

Craig Thompson

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Key dates

Grower Update
Wednesday 30th March
4pm OPAC Opotiki

OGL Meeting
Wednesday 13 April
9am OPAC Opotiki

Grower Update
Wednesday 27 April
4pm OPAC Opotiki

OGL Meeting
Wednesday 11 May
9am OPAC Opotiki

Whats happening on Orchard in February

The canopies are continuing to grow into autumn this year. With the summer rains the Bay of Plenty has experienced vegetation growth that has been a lot more vigorous than a normal year. Early maturity tests are showing lower than normal dry matters emphasising the need to continue to keep canopies open, there are a few black seeds around this week in hayward so we may get off to an early start for the season.

It is important to keep reviewing your crops reject levels. The minimum weight for a size 42 hayward is 74gm's and 75gm's for a size 39 gold.

The New Varieties are continuing to grow well up strings, it is looking positive for some good canopies to be tied down this winter. It is not too late to condition the plant by an application of Hydro-complex or similar. If you haven't already done so then we would recommend removing the tape from around the grafts and also the training strings that were tied around the trunks.

2011 Harvest Contract

OPAC Harvest Contracts have all been sent out. Please notify Mark if you have not received one. It is essential that you fill out the contract for each Grower Number and variety. This information is then captured and we refer to it when it comes to picking, packing and storing your fruit. If you have any questions relating to the contract please contact Mark or Hugh who will be able to go through it with you.

Thank you to those growers, who have already filled out, signed and returned their 2011 contract.

OPAC will be looking to apply a post harvest spray for PSA purposes this year. This could be either an application of copper or a biological spray such as Serenade max or others. These will be applied as soon as possible after harvest.

If you would like to discuss timings or products available then please feel free to contact either Mark or Brendan.

Gold Taste Band Updates

The past four seasons have had three taste bands for GK1CK (GOLD, class I, conventional). The structure of three bands allows for the selection of fruit from the highest dry matter to meet Japan's demand, and provides flexibility in determining the applicable taste bands if the season is characterised as low, medium or high taste.

2011 Week 10 Monitor Data

The 2011 week 10 monitor data is currently estimating a GK1CK season average Taste ZESPRI Grade (TZG) of 0.47. The re-introduction of taste band R will allow the industry to delay the decisions on taste band levels and Japan supply, without losing any flexibility in the decision-making. The recommendation was passed at ISG on Thursday 17 March. Updated taste band values and clarification of the procurement strategy for certain sizes are detailed in the tables below:

Band	2011 Taste Band Boundaries	2010 Taste Band Boundaries
Y	≥ 0.55	≥ 0.55
T	≥ 0.49 > 0.55	≥ 0.49 > 0.55
R	≥ 0.46 > 0.49	N/A
M	≥ MTS < 0.46	≥ MTS < 0.49

Gold and Gold Organic		
Taste Band	Y, T	R, M
Gold Size 16	Standard Supply	Not procuring
Gold Size 18	Standard Supply	Procuring only under contract allocation
Gold Size 42	Contract Allocation/Non Standard Supply (SLA)	Not procuring
Gold Class 2 CK	Taking all sizes 22-39	Taking all sizes 22-39
Gold Class 2 OB	Taking all sizes 22-39	Taking all sizes 22-39

Grower Pool Update

	Gold January	Gold YTD
Average	\$0.30	\$9.07
Highest	\$0.40	\$11.62
Lowest	\$0.21	\$7.09

	Green January	Green YTD
Average	\$0.15	\$4.07
Highest	\$0.24	\$5.63
Lowest	\$0.08	\$2.36

Health & Safety

We look forward to seeing all Growers visiting to see their fruit being packed, you will be informed (phone call) prior to your fruit being packed. I would like to take this opportunity to remind visitors that OPAC sites are multi-hazardous sites and our workplace Health and Safety and Food Safety policies require all visitors to complete an OPAC induction. This will then fast track access to the packhouses where you will only be required to sign in at the main office (or outside of hours at the packhouse office) in order to begin viewing your fruit being packed. Please make sure that your orchards are safe for our workers to pick. Any protruding wires, broken structures, or other hazards, that could cause injury will need to be remedied prior to picking and any new hazards that we were not aware of last season need to be notified to OPAC.

Industry Updates

New Varieties in 2011

2011 season planning of the three new varieties commercialised in 2010 is well underway with the first harvest likely to take place in mid-March.

Two weeks of new variety field days were completed in February with very good grower attendances and a continuing good level of interest in these briefings. Industry feedback of potential revisions to last year's allocation process has been received and is being reviewed with the ZESPRI Board to make a decision in mid-March.

Other key work streams currently underway include:

- Planning and progression of on-orchard, sensory and post-harvest research trials
- Packaging design has been finalised with stocks of materials currently being prepared
- 2011 branding decisions have been made with Gold3 and Gold9 to be marketed as 'SunGold' and Green14 marketed as 'Sweet Green'
- Wider market information is being sought in 2011, specifically from Asia and Europe
- Crop estimates and maturity monitoring has commenced and will continue until harvest
- Pre-harvest briefings to the post-harvest sector
- Briefing regional marketing teams

from Asia and Europe

- Hosting of visits by some key Asian customers

February Forecast Reflects Strong Season Finish

Improved returns for ZESPRI® GREEN and steady ORGANIC and GOLD returns are the key outcomes of the February Forecast for the 2010/11 financial season.

CEO Lain Jager said: "A successful season requires both a strong start and a strong finish. Sales have now closed in all markets and the February forecast reflects both the excellent eating quality of the fruit in 2010 and a very good performance by ZESPRI in-market teams and partner distributors.

The February forecast is an update on the December 2010 forecast and fruit and service payments per tray, the ZESPRI® GREEN return increased \$0.05 to \$7.25, GREEN ORGANIC remained stable at \$8.97 and GOLD increased just \$0.01 to \$12.63. In comparison to last year, GREEN is up \$0.25 per tray, ORGANIC \$0.01 and GOLD is up \$0.50 per tray.

When considering Orchard Gate Return (OGR) figures, the same changes since the December forecast are evident, with GREEN OGR per tray at \$4.14, ORGANIC at \$5.94 and GOLD at \$8.71. All OGRs per tray are up since the previous season, GREEN by \$0.44, ORGANIC by \$0.27 and GOLD by \$0.98.

Since the December forecast, revenue increased by \$1.9 million after a

slight reduction in offshore fruit loss and lower-than-expected customer rebates. A decrease in freight and some favourable foreign exchange movements contributed to a reduction in costs since the December forecast.

One hundred percent of the 2010/11 crop has now been sold. Season costs will be finalised over the coming months and the final 2010/11 returns will be published in the May Kiwiflier.

Zespri Staff and Operations OK in Japan

Following the significant earthquake and tsunami that struck the Fukushima prefecture (region) north of Tokyo, Japan on Friday 11 March, ZESPRI's immediate priority was to establish the safety of the 17 staff based in Tokyo. Thankfully, they have all confirmed they are safe and well.

Staff reported very minor damage within the Tokyo office as equipment moved around during the quake. ZESPRI's 730 kiwifruit growers are in the Ehime and Saga prefectures which are over 800km south of Tokyo – well away from the earthquake zone.

At this stage, the shipping schedule has not been affected. The first vessel will be loaded in Gisborne at the end of next week to arrive in Tokyo in early April, then four further vessels are scheduled to arrive in Japan through to the end of April.

It is a very fluid situation and over the coming weeks ZESPRI will be working to establish what impact the quake will have on 2011 exports to Japan.



Information Disclaimer

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