

July 2003

Volume 5, Issue 2



# Newsletter

## Special Interest Articles:

- Market situation
- Production
- Graeme Thomas on profitability
- Olivado

## Individual Highlights:

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## The Fruit Company Limited t/a Natures Fruit Company

### General News

#### Field Days:

Our first half year, field days got off to a flying start with our shareholders at Stuarts Point on 22 May, followed the next day at Alstonville, then in the following weeks, Bundaberg/Childers and Sunshine Coast, followed by Atherton and Mt Tamborine.

Numbers attending each field day were pleasing with some attendees not currently being shareholders of NFC, but seeing the advantages of membership.

Many questions were asked

of Graeme Thomas both while on farm and during the presentation and it was great to see the interaction between all who attended.

Graeme highlighted the need to be vigilant with respect to root rot control and outlined some of the advantages and disadvantages of both foliar sprays and injection methods.

If you have any suggestions for topics to be covered in the Spring series of field days, please either email Bryan Raphael (see back

page) or Graeme Thomas ([glthort@bigpond.com](mailto:glthort@bigpond.com)). Alternatively fax your request to the office. It will only be through your input that we can make these field days more meaningful to growers.

#### Avos in the News:

Steve Jeffers and Bryan Raphael featured recently in an article on WIN TV about avocados.

This item came about because of the efforts of

*(continued on page 4)*

### Production with Shaun Peters

**Production:** The Nambour pack house has been sourcing fruit out of the Bundaberg, Childers and Sunshine Coast areas respectively, with Hass being the predominant variety supplied for packing. Fruit quality is of a high standard and size has been medium to small with only a small number of growers with excellent size.

May has been a relatively busy month at the Nambour pack house with in excess of 30,000 units being packed. Production efficiency has once again exceeded expectation with staff packing at an above average level.

Whilst May has been good, June has been the quietest period in the Nambour pack shed for quite some time,

with minimal volumes of fruit being packed. This lack of volume was due to an over abundance of fruit on the domestic market and subsequent low returns, the outcome being a halt in picking by most of NFC's suppliers.

The volume into Nambour over July has picked up along with market prices. Fruit is being sourced mostly out of the Sunshine Coast and surrounding areas and fruit quality has been very good.

NFC would like to welcome back Kaye Doman who has just returned from a stint in the Macadamia processing industry. Kaye had previously been with NFC for 10 years prior to her departure and we are very pleased to have her

back as she lends a wealth of knowledge to all fellow workers.

**Spray Diary:** There are still a number of outstanding Spray Diaries from growers sending fruit to the Nambour pack house. This forms an integral part of our Woolworths Vendor Quality Management System and Food Safety Program and I would like to urge all growers who have not sent their Spray Diary in to do so as soon as possible.

**Drum Muster:** The Drum Muster program has reached a significant milestone with the collection of three million chemical containers since its inception in 1999. This equates to almost five *(continued on page 2)*

## In the Markets with Mike Clements



Premium avos

The market place is returning to normal after the oversupply and subsequent contraction of returns. All markets, including Western Australia, are trading normally with fruit volumes of moderate to high quantity being cleared through the markets.

Coles and Woolworths are both sourcing fruit from NFC at present, assisting the pool returns for premium fruit.. Hass prices at sale are between \$15-21 for premium

fruit and \$11-17 for class 2 fruit. Sharwil prices are currently at \$13-19 in the Melbourne market for premium fruit and up to \$3 less in both Sydney and Brisbane. Wurtz is selling at \$11-17 for premium fruit in Melbourne and \$3 less in the other markets.

All market are firm at present, and as Bundaberg area fruit starts to slow down, it is expected that the market will strengthen as we enter a

period of uncertain supply volumes. We would expect prices to increase slowly around mid August as we see the major chains try to secure their volumes prior to the NZ fruit arriving (in early October, we expect).



### Bottling at Olivado's plant in NZ!



## Olivado - NZ

Many of us have been waiting for positive announcements regarding Olivado and its plans for processing in Australia.

We all recognise the benefits to our industry of a way of removing low grade fruit from the market and being able to provide some return for fruit which should not even get to the packhouse.

Olivado NZ are now in

Australia and our advice is that construction of their plant (at Cleveland in Brisbane) should start within the month.

Unfortunately any benefits to the industry will be lost in 2003. However for 2004 we should be in a position to start sending process grade fruit for conversion to oil.

Not only will Olivado be

pressing avocado, but plans are in place to also produce olive oil.

Your Board recognises the opportunities for NFC shareholders in this venture, and consequently will be closely monitoring progress.

Any ground-breaking news in this regard will appear on our website or via email.

## Prod'n

thousand tonnes of waste being re-directed into the Australian recycling stream, rather than being dumped in landfill or buried on the farm.

Any growers wishing to organise a Drum Muster in their local area can contact their relevant Shire Council and ask for further information.

### Damaged Bins

**If you do receive a damaged bin please make a note on your delivery docket when sending fruit in for packing, so we can take the bin out of circulation and have it repaired.**

## New Members & Old Friends

As many of you would be aware, when we converted from a co-operative to an unlisted public company, we also changed the definition of a shareholder.

The definition is now a little wider and allows for people who supply products or services to NFC, to become members.

To that end, we are pleased to welcome a supply chain partner to NFC; one of our market agents in Melbourne, Sculli and Co, have taken up 100 Class A shares and have indicated their desire to take up a further 2,900 Class C shares.

In addition, we also welcome:

- J&J Vavasour
- P&G Writer
- Sandy Creek Orchards (who have brought the McCulloch's farm)

And on that note, we wish the McCulloch family (James, Margaret and kids) well in their retirement, and thank them for their support throughout the years.

## Horticultural Corner with Graeme Thomas

### Orchard Profitability

In providing a horticultural service for my clients, my ultimate goal is to increase orchard profitability. There are many ways that this can be achieved.

As many of you are currently picking, you would all be very aware of your current fruit size. One option to increase orchard profitability is to increase fruit size.

With Hass, large fruit are more easily grown in the cooler climates. Hass is very prone to having small fruit in the hot growing areas of our growing regions such as the Mareeba area in North Qld. But in most other areas it is possible to get a reasonable percentage of fruit in the sizes 18 – 22.

These are the “high “ value

sizes. This can be seen from the prices earlier this year.

For the exercise, I would like to demonstrate the changes in return over the whole orchard if you can achieve an increase in fruit size. For simplicity, we will assume all fruit are of similar size.

Assume you are setting sufficient fruit to produce a 20 tonne / Ha. crop of size 22. In doing this you will be producing 73,260 pieces of fruit / Ha.

From the table you would gross \$74,725 / Ha. If you did not apply the best management activities for the crop, you are in most instances, not going to increase the number of fruit set, but you are going to reduce fruit size. For the exercise say your fruit sizing comes down to size 28. Your gross return then

reduces to \$47,619 / Ha. with a yield of 15.7 tonnes / Ha. Conversely if you were to lift your fruit size to 16s your gross return increases to \$96,703 / Ha. with a yield of 27.47 tonnes / Ha.

From this simple exercise, it is clear that you can achieve large increases in profit by increasing fruit size.

Fruit size for your 2004 crop will be determined in the coming months and definitely before Christmas. Some aspects of your management will have already had an effect on what is going to happen.

During the first 10 – 12 weeks after flowering, fruit size is primarily determined. During this period, increases in fruit size occurs due to increases in the number of cells

*(continued on page 4)*

PREMIUM HASS		
Week 17: 20-26 April		
Size	\$/Unit	\$/Piece
16	\$21.14	\$1.32
18	\$26.48	\$1.47
20	\$26.31	\$1.32
22	\$22.53	\$1.02
23	\$22.45	\$0.98
25	\$21.85	\$0.87
28	\$18.10	\$0.65

## Annual General Meeting - 2003

About 40 people attended this year's Annual General Meeting which was held at the Oasis Resort, Caloundra.

All matters requiring resolutions were passed in the affirmative, including the financial accounts and reports, directors' remuneration, appointment of auditors and changes to the Constitution to effect three classes of shares.

All retiring directors were re-elected with John Williams from Tamborine missing out on this occasion. Thanks John for showing sufficient interest in your company to stand for a director's position.

George Green, Mike Clements and Bryan Raphael presented information on various aspects of the Company's business, and Simon Newett from DPI gave a fascinating demonstration of the latest beta version of Avoman.

When the new version is available for general release we will be running some workshops to show how you can get the best out of Avoman.

Following the meeting, most attendees stayed on for what was a most enjoyable dinner.

It is during times such as these that one gets a good

feel for the real issues in our industry. We would recommend your attendance, next year, at both the AGM and the social activities that follow.

You will be notified shortly how the constitutional changes affecting share classes, have impacted on you. Following receipt of that information, please do not hesitate to contact the office regarding any queries that you may have.

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**AGM & DINNER**  
**A**  
**great**  
**afternoon**  
**and**  
**evening**



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See us on the Web!  
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## General News (continued)

Steve, and shows the extent to which he is committed to his industry. Such PR can only help to increase demand of avocados which will drive prices higher.

If you have any ideas for PR either about NFC or avocados generally, please let Mike Clements know.

### EMAIL ADDRESSES:

**We are still having email returned because of either an incorrect address or a mailbox which has exceeded its quota.**

**If you are on email please send us an email with your current address (and old one if you have recently changed it) and your full name – we want to ensure that your details are up to date.**

Remember if you want to email anyone at NFC, their email address is:

first initial followed by surname followed by [@naturesfruit.com.au](mailto:@naturesfruit.com.au)

So, for example, Kylie Leahy's address is [kleahy@naturesfruit.com.au](mailto:kleahy@naturesfruit.com.au)

## Horticultural Corner (continued)

After this period the size increase, is primarily determined by the cells increasing in size. Therefore if you have insufficient cells laid down, your fruit will be smaller.

To ensure that you have the maximum cells laid down during this critical period, the following must occur:

1. The trees must **not be water stressed**.
2. Good phytophthora **root rot control** measures must be in place.
3. A **balanced nutrition** program must be fully implemented. As Nitrogen is the element primarily responsible for changes in yield, it in particular must be at the optimum level.

From the above, it can be clearly seen that if you are to maximise fruit size in one season, you need to make management decisions in the autumn before the fruit sets.

It is a simple case of forward thinking with your management strategies. If it comes to January 2004 and you think your fruit size is on the small side, look back to your management strategies in the first half of 2003 to find the answers. For those of you with a light or no 2003 crop, the potential for a large 2004 crop is real. If your strategies of good management are not in place now, be prepared for small fruit. Worse still, if the industry as a whole has a big crop, expect the differential between small and large fruit to be bigger. The calculations on your returns then become even more dramatic.

Profitable growing

*Graeme Thomas*

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