

October 2004



Newsletter

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Board Comment

The Thoughts of Chairman George.

It is with great pleasure and keen anticipation that I welcome Ros Smerdon of Glasshouse Mountains as an independent director of your Board. The Smerdon family have been associated with our company from its inception and Ros's father-in-law, Allan Smerdon was one of our first directors.

I really appreciated the opportunity to talk to some of you at the growers meeting held in Nambour late last month.

Following the unfortunate disruptions of the last few months, your board is focusing on core business. Maximising net returns per bin to growers by:

- Containing costs
- Ensuring maintenance of grading standards and brand recognition.
- Grading to best advantage
- Achieving top market prices

More than ever we growers need to have a strong and viable NFC

We need the leverage of volumes and year round supply to achieve orderly marketing programs that will bring top market returns.

We need combined volumes to take advantage of the economies of scale.

To achieve these aims our staff need the commitment and ongoing support of all of us.

In the latest Weekend Australian Financial Review the following comment was made as part of an article regarding Woolworths

“ both Woolworths and Coles are pursuing bottom-line growth in their existing businesses by targeting billions of dollars worth of cost savings. They are aggressively hacking into direct costs, and squeezing suppliers' and service providers margins by relentlessly pushing input costs back to the source.”

We need to stand united so that we can reduce our overall costs to meet these challenges.

Sunshine Coast Growers Meeting

A big thanks to all those that participated in the meeting at the Nambour RSL on Thursday 30 September. Growers from the Sunshine Coast, Blackbutt, Maryborough and Gatton heard and asked questions about the current activities in NFC, and what was on the drawing board for the near future. George Green

(Chairman) and Bryan Coolahan (Board member) along with all NFC staff were present to support the meeting and hear what was on growers' minds.

Topics discussed included:

- Current staffing
- Communications
- Quality Assurance / Food Safety requirements
- Woolworths black box
- Packing shed matters
- Sorting fruit for oil
- Avocado markets
- Supermarket business

The highlight of the meeting was the announcement of Ros Smerdon, from the Glasshouse Mountains, to the Board of Directors.

We have received excellent feedback from growers during and since the meeting, and invite anyone who has not yet had the chance, to ring in or visit with their criticism or compliment.

To those of you not on the Sunshine Coast, look out for a meeting in your area soon.

Jason Cook

PRODUCTION FOR 2004

Avocado fruit volumes for the 2004 have been well down on 2003 for most growers in eastern Australia, excepting North Queensland. The continuing dry weather has not only had the affect of reducing crop loads, but has lead to smaller fruit and an earlier season for many.

A good start to the season for NFC volume wise, with the most number of packed units coming out of the Atherton Tablelands since NFC started

in the area. Around 3400 bins have been packed at Nambour, 110 at Stuarts Point and 330 in Northern New South Wales. These three areas continue to pack fruit, although in very low volumes. Mildura is also harvesting and sending through NFC, Mount Tamborine is about to start and Western Australia are getting ready for their season.

In addition to this, NFC has sent over 700 bins directly to oil (ie. grower sorted fruit).

With the picking coming to an end, our sheds are also looking at the end of the season. The Nambour shed will pack for the last time in 2004 on Thursday 4th November. The House With No Steps remains running but mainly packing stonefruit and other crops, and Stuart's Point will remain available for those properties in the tablelands.

If you still have fruit you intend on sending in for packing, please let your shed and Jason know as soon as possible.

Jason Cook

SPRAY REMINDER

Regardless of your QA status, you are still required to supply NFC with a copy of your spray records. Please make sure you have sent yours via fax, email or post to Jason in Nambour.

Market Review

Since our last newsletter the market has changed dramatically. At the time both major chains were in the

process of changing to imported NZ avocados to gain more consistent supply. This was probably 2-3 weeks earlier than what was ideal to maximize Aussie returns.

The Australian industry is very disfunctional at present. No one seems to know what crop each have, when they intend to pick and quality of fruit. I know some areas are still short of water and this has had effect on crops. The other contributing factor is, this time last year prices kicked very strongly and many producers are holding out hoping this will be the case again.

Nambour / Alstonville shed have just about finished packing for the year. Stuarts Point and Mildura still have some quantity to come. Mildura fruit mainly 25s and smaller, demand at present is strong with top prices \$28 sales for the best quality.

For those who have fruit still on trees the out-look seems promising with the onset of the warmer weather.

Many growers have asked where I fit into Natures Fruit Co. Well I've been a Natures Fruit person for many years even though I have not worked for them. I now have the opportunity to work for NFC to improve their results through a performance payment scheme.

As we get into the new season I will be visiting different markets and grower areas to discuss how we can improve the prices for you and Natures Fruit Co.

Communication is the key to maximise returns to you I am available from 4.30 am most mornings (mon-fri on 0438 621 579), for those of you who want more detailed and

up to date information on the market, however your main point of contact will be Jason Cook on Ph: **0439713699** or **07 54413699**.

Paul Schramm

Woolworths Black Box

“The Black Box”

Over the last few months you all would have heard of Woolworths plans to move to a standard style box for all their fresh produce.

Well it is happening. Some Woolworth stores are already changing over to this new box format.

The reasons for the changes are two fold.

Firstly Woolworths want a ‘one touch system’. That is, all fruit and vegetables will arrive in their distribution centres in boxes that can be mixed together on one pallet for onward delivery to their individual stores. Rather like a jigsaw puzzle. The boxes will neatly join together.

Secondly once at the store, the boxes will be taken from the pallet and placed straight onto the shelves in the supermarket so saving them time and handling.

Woolworths marketing gurus have established that the colour black is the most suitable colour to show off vegetables and fruit.

The box sizing has been a matter of great discussion, but it looks like avocados will be packed in a four kilogram tray, similar to those used in the European market.

We are lead to believe that Woolworths will make their

final decision on box sizing etc by the end of November.

Coles are also looking at changing to a similar system, however they are not as far advanced as Woolworths and it will take a couple more months before they will finalise their thinking.

We will keep you updated in the next newsletter.

Tim Bailey

Olives



NFC now has over 75 shareholders who are olive growers. An olive column will be a regular inclusion in future NFC Newsletters, so all shareholders can keep up with all company news & business.

Last Season

The 2004 harvest was the first year of NFC olive operation. It was unfortunately the worst olive season Queensland had experienced, coming after several years of drought exacerbated by hot dry winds and storms around flowering time. NFC handled twenty-six tonnes of olive fruit, delivered by eleven growers. This was only a small percentage of the for-casted tonnage and as a result had a negative impact on NFC and grower margins. However a good knowledge base on the logistics and processes involved was established to build on in the coming season.

Field Days

Olive Field Days were held in Gatton and Murgon on May 25 and 26 respectively. The programme for each was

identical. These were well attended and received. The season was reviewed and Water for Profit officers Evan Howard and Scott Wallace gave a very entertaining and informative session on soil types, water tension and water requirements.

In the Grove

The buds have been building since mid-August and the flowering has taken place. This is later than last year and while the winds and temperatures have been kinder, all areas remain in drought. Growers are reminded to keep a check for the re-emergence of lace bug and scale and spray accordingly. If you had anthracnose last season a suitable copper spray regime is necessary. (Copper is the only approved control chemical at this time.)

Quality Control

Olive Care is our approved supplier program (ASP) and all growers should have completed the set up and be maintaining the appropriate records. Last season NFC required only a copy of your spray diary (from supplying growers). In 2005 the industry is likely to require an audited ASP and NFC is looking to provide this service to members.

Graeme Sanderson

Bin Stocktake

We are now in the process of doing a stocktake on our green and blue bins. To help us with this process we would appreciate your assistance in contacting Jason or Garry at NFC to arrange return of bins

for bin cleaning and maintenance / repairs.

Advertisements

NFC will happily place small advertisements or articles of interest in this newsletter for NFC members free of charge. If selling services a small charge will apply.

Cut off date for the next newsletter will be 6th December

OLIVE GROWERS

CAN YOU SELL YOUR CROP?

Do you comply with quality requirements?

Think before you spray!!

Do you keep records?

One wrong move and you could lose your whole crop.

Olive care – checks for your management & satisfaction to all customers.

Please phone me for a free assessment, prior to audit.

Natalie Duffield

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