



# Natures Fruit Company

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## NEWSLETTER

### CHAIRMAN'S REPORT

2006 has certainly been a mixed weather bag for the avocado industry. The year opened with an anticipated large Australian avocado crop although the record New Zealand crop was not programmed to leave our stores until March. Cyclone Larry then brought down his wrath on North Queensland with huge crop losses and tree damage for all those in its path. As the season progressed the devastating effect of the continued dry seasons soon became evident with the Sunshine Coast / Bundaberg area producing heavy volumes of smaller fruit than usual. Heavy frosts in the Tri-state area has also had a devastating effect on their crop.

However Mother Nature has not abandoned us. Reports from North Queensland indicate that the trees are recovering and that although the Shepard crop may be lower, the Hass crop should be substantial. According to our weather forecasters we should be looking forward to large rainfalls early in 2007, hopefully this will come to fruition.

As avocado packing winds down in the Nambour facility, staff are preparing for the lychee season. Staff will be contacting growers to determine their anticipated harvest schedules and volumes.

2006 has again been successful for your company, despite the hardships the weather has inflicted on our growers. We have again increased our throughput on last year and anticipate to finish the year at around 570,000 units. Your company has further strengthened our customer base with an increased supply of fruit to Woolworths and Coles from last year, and continued relationships within the central market system.

This year also saw your Board taking the opportunity to visit North Queensland and Alstonville in NSW; having a Board meeting and grower meeting in each centre. Your company also held a very successful field day

in each centre giving growers excellent information from some very well respected experts in our industry.

Our sustained success would not be possible without the continued dedication and loyalty of our growers and staff. I would like to thank our administration and packing teams, management and marketing for their efforts throughout the year. Without their enthusiasm and passion for the success of your company, our goals would be difficult to achieve. Your Board would also like to thank all our growers for their continued support throughout the year. Your continual support and communication of anticipated volumes and fruit quality has made the planning of our marketing efforts much easier.

As the year draws to a close your Board are looking forward to another exciting year full of opportunity for Natures Fruit Company. We look forward to seeing many of you at the Christmas function at the end of November.

We wish you and your families a safe and happy Christmas, good weather and an excellent season for 2007.

All the best.  
Ros Smerdon

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## MANAGER'S REPORT

As the year slowly draws to a close now is a good time to start looking back over the last season to measure the performance of your crop. Certainly the Sunshine Coast and Bundaberg regions were affected by a lack of water that resulted in increased numbers of smaller fruit. Below is some information that shows the affect smaller fruit has on overall marketability of crops produced.

- 10.95% increase in bin numbers from week 5 to 39
- 19.43% reduction in trays (same weeks)
- 16.03% increase in bulk cartons (same weeks)
- 11.87% increase in processing fruit volume (same weeks)

Information quoted is for the Nambour packing shed.

As this information became prominent we began with the development of the field days to address these specific points.

### Field Days

The field days hosted by NFC were well attended in both North Queensland and Alstonville. We were fortunate to attract an excellent quality of speakers that presented the latest in research and development work being undertaken in the avocado industry.

As a result of this year's efforts and subsequent success we will again plan for a similar process next year. It is expected that we will hold the field days in similar locations with a slight change on the SEQ and NSW events with the expectation that we can cater for a larger audience without the tyranny of distance keeping growers away.

To this end I please ask for you to submit ideas on the type of information that you would like to see presented at the field days. These are days designed specifically for the grower and we would therefore like to best provide the information you are looking for. Contact can be made via Andrew McKillop.

### NFC Xmas Party

With Xmas drawing nearer we are again hosting another party on the Sunshine Coast. I would encourage all growers to attend. Last year we had a wonderful evening and this year will be even better. I look forward to seeing as many of you as I can.



### Grower Awards

It has recently come to our attention that some growers are unaware of the awards that NFC present to the grower base at the AGM each year. These awards are designed to celebrate the achievements of our growers in the pursuit of excellence in growing. The awards are as follows:

**The Gary Lubach Memorial Plate:** A perpetual trophy, is an award created in the memory of the late Gary Lubach, a company stalwart and Director. Gary's continual strive for excellence prompted this award, which is awarded to the grower who has the biggest percentage increase in premium grade quality from the previous year. The award is for the most improved grower member. The improvement is based on two consecutive years of production. The award is an acknowledgment of those avocado growers who make the extra effort to produce an outstanding product.

**The Natures Champion awards:** are for the highest percentage of premium grade fruit for the season in the size range 18 to 25 for a given production volume category. There are three Natures Champion awards. 'Large' grower category with production over 20,000 avocado trays, 'medium' grower category for 10,001 to 20,000 trays, and 'small' grower category for production up to 10,000 trays.

The calculation of these awards is done in strict confidence by management. The winner of each award is then presented to the Board. Previously Board members were ineligible to win awards due to possible misrepresentation of the awards. However, future awards will include all growers, including Board members. This policy has been instigated by management as a true and fair representation of our grower base and their dedication to the betterment of NFC.

### Estimates

As a final note I would like to ask that growers take the time to fill in the estimates sheet that has been circulated. This is an extremely important document that assists us in the development of our marketing plans for the coming season.

Have wonderful and safe Xmas and a happy New Year.

Yours in avocados  
Andrew McKillop



## Joint Food-Chain Briefing on Maximum Residue Levels for Plant Protection Products (Pesticides)

Explaining why occasional MRL exceedances are not normally a food safety issue. (Extract from article in *Mango Matters* Winter 2006 Editions)

This article from Europe provides an excellent overview of pesticide residues and the setting of MRL's and other food safety issues.

### Summary and Key Issues

EU Food policy guarantees a high level of protection of human health. In addition, today's consumers are used to the availability of a great variety of fresh and processed food products of sound quality at affordable prices. To satisfy these needs, crops have to be protected in many cases against diseases and pests by applying Plant Protection Products (PPPs, or pesticides) according to the principle of "as little as possible but as much as necessary".

In order to have a set of standards for PPP residues on food and feed to enable trade in food commodities to take place, to check compliance with Good Agricultural Practice (GAP), and to ensure that human health is protected, legally applicable MRLs are set.

It is strongly in the interest of all food chain partners, be they farmers, traders, or food processors that MRLs are respected, and considerable efforts are made throughout the food and feed chain to ensure that all practicable steps and control measures are taken to achieve this requirements.

Nevertheless, despite all due diligence it is not always possible to avoid MRLs occasionally being exceeded, as evidenced by the annually published EU PPP residues monitoring report which shows that typically 204% of samples may exceed MRLs. It is the responsibility of all food chain partners to continue to strive to drive the exceedance figures downwards.

Therefore, without in any way implying that MRL exceedances are acceptable, it is useful to promote a deeper understanding among policy makers (and ultimately the consumer) of the real—as opposed to the perceived—risk associated with PPP residues.

The setting of MRLs is a complex process which aims to strike an appropriate balance between different needs and requirements. This complexity (and potential for misunderstanding) results in particular from the three-fold nature of MRL setting:

- i. they are set on the basis of Good Agricultural Practice (GAP), by identifying what the lowest achievable residue levels are based on actual (good) agricultural practices by means of field trials; and they can subsequently be used to monitor and control whether GAP has been followed;
- ii. They must enable trade to take place between EU Member States and on a global level;
- iii. They must in all cases take account of appropriate toxicological benchmarks i.e. it must be ensured that the GAP-based MRLs result in consumer exposure which is lower than the relevant toxicological thresholds.

### Key issues and messages

- The whole food and feed chain takes MRL exceedances seriously and is striving to eliminate them;
- The paper seeks to shed light on how MRLs are set, and how they are always based on use patterns that result in low consumer exposure without risk of acute or chronic toxicity. A variety of safety factors are applied, and in particular the food consumption patterns of children are specifically accounted for;
- Exceeding an MRL seldom

implies a risk to human health, since MRLs are set far below safety limits.

### How MRLs are set

The Maximum Residue Levels (MRLs) for PPPs are set by the authorities based on an actual assessment of residues found in field trials based on Good Agricultural Practice (GAP) and by applying the minimisation or so-called ALARA principle (As Low As Reasonably Achievable)/ Field trails are conducted in a variety of climatic zones for each specific crop over at least two growing seasons. This is in order to ensure that differing crop growing practices, probability of emerging pests and diseases, and variations in weather conditions etc. are taken into account.

In a further separate step the authorities (independent scientific experts from the EU and its Member States) assess the risks involved in both long and short-term exposure to the potential hazard of PPP residues on food. This is done by establishing benchmarks known as the Acceptable Daily Intake (ADI) for the long-term (chronic) exposure, and the Acute Reference Dose (ARfD) for short term (acute) exposure to PPPs. MRLs are always based on agricultural use patterns, and are set such that the resulting exposure is much lower than the ADI and the ARfD values in order to avoid any unacceptable risk of acute or chronic toxicity.

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## On Farm Issues:

Col Cummings

Recently I had a visit from two members of Qld workplace health and safety conducting an audit of machinery. They were primarily interested in quad bikes, cherry pickers, tractors and P.T.O. driven equipment. Clearly there is a thrust into the horticulture industry to ensure compliance on equipment safety. Specifically they were checking tow connections, brakes, modifications of any description, weld security and P.T.O. guards. In discussions with these people, I sought clarification of the "Life" of cherry pickers and test requirements in terms of "non-destructive or ultrasonic testing for weld security. I am still waiting for a response as they could not answer this question.

The issue here is if you in anyway modify plant equipment you should have it checked to ensure that it complies to Australian standards. You are liable should there be an injury to a worker operating non standard equipment.

From discussion with Growcom Industrial Relation Services, it is clear that exemptions from requiring various licences to operate certain types of plant and equipment, granted to our industry, are being wound back. These changes will be phased in from 2007.

Industrial relations in terms of compliance to awards and workplace agreements are still a hot topic. With the upcoming season, it looks like there will be a shortage of staff for picking and packing, causing further grief, as to whether we can access legal workers. There are two ways of checking a prospective employee to ensure you are covered against being fined for employing illegal's.

1. EVO (Entitlement Verification Online) allows you to check details of potential employees at [www.immi.gov.au/e\\_visa/evo.htm](http://www.immi.gov.au/e_visa/evo.htm) or call 1800 040070
2. Dept. of Immigration & Multicultural and Indigenous Affairs have an A4 sheet called "Authority to obtain details of work right status from DIMIA"

This document if used as part of your induction process, gives you the right to check the employee status. Simply fax to DIMIA and they will confirm the position for you. You are then fully covered.

## Welcome to John Tannock—New Director

The board of Directors are pleased to welcome John Tannock to our Board to fill the casual vacancy created by the resignation of Mrs. Nola Stumm. Nola had been a director with us since 2000 and resigned due to family commitments. For those of you who don't know John he has provided a brief profile.

### PROFILE – JOHN TANNOCK

John has been in the avocado industry since 1998 when he and Chris bought an established avocado orchard at Ravensbourne, north of Toowoomba.

Since owning the farm, John has observed the costs of picking, packing and freighting the fruit nearly double while the price received has decreased in real terms. "The grower nurtures the fruit for 12 months and is forced to take whatever price is offered. Everyone else in the supply chain handles our fruit for a day or so and is able, to a degree, to set their own price" John said. "I saw Nature's Fruit Company as a means of enabling growers to extend their interests up the supply chain and not being restricted to the price taking sector of the chain". John was also impressed with NFC's penetration into the chain stores, its ability to supply fruit 12 months of the year and the fact that it is grower owned. "These are important qualities if the smaller grower is to compete in the markets with the emerging giants like Timbercorp." John said.

John's background prior to farming was in local government where he held positions ranging from Acting CEO to Shire Engineer and Manager Planning & Economic Development. He has also served on the Brisbane River Management Group, has been President of the Darling Downs & South West Local Government Engineers Association, President of the Brisbane Valley Apex Club and has been awarded Life Membership of that club. John also served on the Avoman Planning Committee for Avoman 2.

## MARKET REPORT— Paul Schramm



Nearly the end of another season (well for most East Coast growers) and still trying to come to grips with every thing that has happened in 2006. The quantity of fruit marketed, less than expected mainly due to cyclone Larry. Demand for NFC fruit from major customers was extremely satisfying and has positioned our Company well for the future growth.

Market at present is stronger than I would have predicted considering NZ again started in the chain stores 3-4 weeks earlier than would have been desirable. This is the one major thing we must get right for the future of the industry. Information, whether market knowledge, what our competitors are doing or other suppliers is the key ingredient for success.

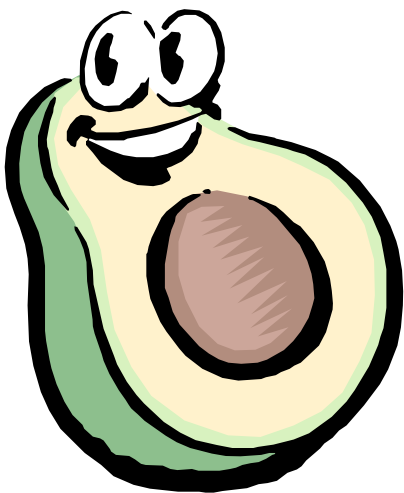
Infacado is helping to alleviate this and can I can see as a valuable tool in the future.

Most would have fruit set by now and from my information North Queensland very much hit and miss particularly on Shepard and most other areas quite a good set if you have water or get rain.

### IMPORTANT NOTICE TO ALL GROWERS

#### ANNUAL BIN STOCK TAKE/ MAINTENANCE

On completion of your harvest we ask growers to ensure that all Green Bins be returned to the Nambour Shed. These bins are required for stock take and annual clean / repair in readiness for future harvests.



### VIOLET CRUMBLE CHEESECAKE

- |  |   |  |
|--|---|--|
| 1 x 250g packet plain sweet biscuits                           | 1 | Grease a 24cm spring form tin; place on an over tray.  |
| 150g butter, melted  |   |  |
| 3 teaspoons gelatine   | 2 | Process biscuits until finely crushed. Add butter; process until just combined. Press biscuit mixture evenly over base and side of prepared tin. Cover; refrigerate for 1 hours. |
| 1/4 cup water  |   |  |
| 375g packaged cream cheese, softened                           |   |  |
| 1 teaspn vanilla essence                                       |   |  |
| 1/2 cup caster sugar   | 3 | Sprinkle gelatine over water in a cup. Stand cup in pan of simmering water; stir until dissolved. Cool   |
| 1 x 300g carton thickened cream                                |   |  |
| 3 x 60g Nestle Violet Crumble bars, chopped                    |   |  |
| Extra chopped Violet crumble bar and whipped cream to decorate | 4 | Beat cream cheese, vanilla essence and sugar in a small bowl with an electric mixer  |



until smooth. Beat cream in a separate bowl with an electric mixer until soft peaks form. Stir gelatine mixture into cheese mixture with Violet Crumble bars; fold in cream. Pour mixture over base in tine. Cover; refrigerate until set.

- 5 Serve cheese cake decorated with extra chopped Violet Crumble bar and whipped cream.

## FOOD SAFETY —Extract from article from Mango Matters Winter 2006 Edition

Food safety is a huge issue for the produce industry in the US. There are an increasing number of food safety incidents involving a growing number of pathogens causing a larger number of illnesses per incident that both in the past and when compared to other food sources of food-borne illness (seafood, meat, dairy products, etc).

The produce items implicated in these outbreaks, in numerical order of prevalence from 1998-2004, have been tomatoes (7), cantaloupe/rockmelon (4), raspberries (3), Romaine lettuce (3), green onions (3) Iceberg lettuce, mango, almonds, basil and unknown (all 2) and water melon, Honeydew melon, missed lettuce, cabbage, spinach, parsley, grapes and snow peas (all 1). There were also 10 outbreaks due to various forms of fresh-cut produce.

The Food and Drug Administration (FDA) and industry are understandably concerned that consumers are receiving mixed messages about produce. On one hand, consumers receive regular media coverage of food safety incidents. On the other, highly-credentialed advocates encourage fresh produce as an important component of a healthy diet in the face of a nutrition and obesity crises.

In response to the growing number of incidents, and following industry meetings with the FDA, the PMA and UFFVA have embarked on a process to reduce food borne illness associated with produce by 25 percent (time frame 2-3 years). This would be achieved by the implementation of commodity-specific guidance, and the development of guidance documents for tomato, lettuce, melon and green onion has commenced. The melon document was released at the PMA convention.

Another initiative will be a program to specifically improve sanitary handling of fresh produce in production and processing. This follows research that identified serious shortcomings in animal management issues, lack of sanitation in packing and processing operations, worker health and hygiene inadequacies, weaknesses in sanitation of harvest tools and equipment and examples of water contamination. Further research will focus on sources of contamination, product-specific mitigation strategies, markers of contamination and rapid analysis. The industry theme for this project is "We know that produce is healthy; we must make it and keep it safe".

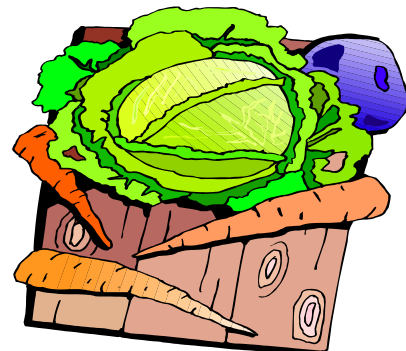
Food safety in the US appears to be driven by federal regulation, customer insistence and the fear of litigation. A food safety program is a regulatory requirement of pack houses and is audited by the Food and Drug Administration (FDA) and/or the US Department of Agriculture (USDA). USDA certification is essential to sell produce to schools, hospitals and the prison system, for example.

This filters down to growers. Packers such as Diamond Fruit Growers in Oregon have a basic approved supplier program for grower-suppliers that covers traceability, chemicals and handling issues.

Despite the thoroughness of this process, the litigation process has carried numerous successful class actions against offending growers, shippers food service operators and retailers. A number of packers interviewed considered that the fear of litigation is a stronger driver than the FDA/USDA.

Ultimately, it is retail and food service customers that are driving the implementation of full HACCP-based food safety plans with the same global issue of lack of mutual recognition that also frustrates Australian growers and adds significantly to the cost of doing business. Proprietary schemes observed included Primus Labs (for Costco), SQF, 2000CM, SQF 1000XM, EurepGAP, and various organic certifications.

The emphasis on food safety has taken on a new dimension with the 2003 Bioterrorism Act. This regulation puts particular emphasis on product identification and traceability, the 'one step forward and one step back' requirement rather than full traceability from 'farm to fork' (or 'dirt to dinner' as many in the US refer to). As a footnote to the increasing consumer sensitivity to food safety, some retail stores now offer disinfectant wipes to shoppers at no charge as they enter the retail store. These can be used to wipe hands and the handle of the shopping cart to destroy bacteria.



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The ADI as a health based standard is defined as an "estimate of the amount of a substance in food, expressed on a body mass index, which can be ingested daily over a lifetime by humans without appreciable health risk." The ARfD is the highest amount of a PPP which may be ingested by humans in one day without causing any harm. The ADI and the ARfD are derived from a complete toxicology database using all known facts. Since the risk from exposure also depends on the sensitivity to the chemical substances, several safety margins are applied in the calculation of the ADI and ARfD.

Additionally, the food consumption patterns of various population groups including children are specifically accounted for. These measures ensure that vulnerable groups like infants are taken into account.

In view of the stringent authorisation procedure for PPPs and the conservative approach to MRL setting, it is clear that residues at or below the established MRLs do not cause any harm to human health.



## Security sensitive

Growcom is surveying its members about the potential impact on their farm businesses of the restriction of a range of farm chemicals by the federal government due to its security concerns.

Members who wish to be included in the survey can visit the Grocom web site at [www.grocom.com.au](http://www.grocom.com.au) or call Grocom Policy Research Officer Leanne Usher on (07) 3620 3844.

Chief Advocate Mark Panitz said that the Federal Minister for Agriculture, Fisheries and Forestry Peter McGauran had confirmed that the Council of Australian Governments (COAG) was reviewing a range of chemicals with the intent of possibly restricting their use by primary producers. These included industrial chemicals, agricultural and veterinary chemicals, explosive components and fertilisers.

"In horticulture, products likely to be included on the restrictive list area: calcium and potassium nitrate fertilisers, sulphur, mevinphos (Phosdrin), aldicarb (Temik), parathion methyl (Folidol) and abamectin (Vertimec), said Mr. Panitz.

"Grocom believes in supporting the objectives of national security. However, the government needs to take a wider approach which spreads both the costs and responsibility throughout the community.

"The horticulture industry has already been disadvantaged by the regulation of ammonium nitrate products about 12 months ago after the government considered there was potential for these products to be used in making explosives. Consultation was minimal," he said.

## CHRISTMAS DINNER

Friday 24th November 2006  
6 pm at Habits Bar & Dining, Cotton Tree. Please phone your response to Jennie or Louise on (07) 5441 3699.



## HARVEST TRAIL

Growers who require assistance to source seasonal labour may benefit from registering their labour requirements on the Harvest Trail Web site.

The National Harvest Labour Information Service (NHLIS) was established in July 2003 to help growers and jobseekers find each other at harvest time.

Growers can contact their local Harvest Office of Job Network/Placement Agency to place an ad, or call 1800 062 332. Alternatively, growers may place ads themselves via the website (but must be able to take calls from potential employees during peak times).