

# ZeaNews

**Z e a f r u i t   C o m p a n y   L i m i t e d**

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**The Editor**

**Public Impressions Ltd**

**Prue Younger**

**021 2765484**

**Zeafruit Company Limited  
Management Team**

**Lance Eagle:** Marketing

Ph.        07 5491 263

Mobile   0274 371 078

**Keith Pyle:** Technical & Investment

Ph.        07 5520 215

Fax.      07 5520 214

Mobile   0275 675 259

**Terry Peachey:** Logistics

Fax.      07 5491 291

Mobile   027 276 3550

**Lance Smith:** Procurement

BOP/Auckland

Mobile   0274 782355

**Peter Hoogerbrug:** Procurement

Gisborne

Ph.        06 863 2157

Fax.      06 863 2155

Mobile   0274 484 433

**Juan Ferrere:** Technical &

Investment

Ph.        06 86842 89

Fax.      06 8682155

Mobile.   021 2220275

**Sharon Johnston:** Grower Liaison

Mobile. 027 2302247

**Carolyn Price:**

Mobile. 021 472708

\*\*\*\*\*

**Office:** Ph.        07 5491 263

Fax.      07 5491 291

## Personnel Changes, Zeafruit Northland Manager

We wish to announce the resignation of Dave Potts, Zeafruit's Northland Manager. Some weeks ago Dave expressed his wish to reduce his commitments to Zeafruit in order to explore new opportunities outside of the horticulture sector. Dave with the support of his wife Debbie have been instrumental in the establishment of Zeafruit in Kerikeri and the development of a confident and experienced procurement team. Dave now feels the time is right to extract himself from the position with the comfort of knowing that a strong foundation for future growth has been set. Zeafruit's grower support has continued to grow in the North under Dave's management and Zeafruit is forever indebted to him for his enthusiasm, passion and commitment.

*Thanks Dave! We'll miss your input, dedication and especially your humour; we all look forward to the next instalment of:*

*"The Potts Family Adventures".*

Looking forward, we are please to announce Carolyn Price as the new Northland Manager. Carolyn has been with Zeafruit since September and has a wealth of knowledge and experience. We are more than confident that she is up for the Challenge and will do a fantastic job.

Congratulations Carolyn!

**Carolyn Price**

**Northland Manager**

Carolyn@zeafruit.co.nz

Ph 021 472 708



**Check out the Zeafruit website for back issues of Zeanews**

**[www.zeafruit.co.nz](http://www.zeafruit.co.nz)**

## The Technical Side

Keith Pyle

### Integrated Rot Minimisation Strategy

**(updated April 2006)**

*Important updates shown in italics*



#### Introduction

The primary cause of post-harvest rots fall into two fungal groups:-

1. Brown Rot caused by *Phytophthora* species
2. Soft Rots caused by *Penicilliums* (Blue and Green Mould) and *Geotrichum* (Sour Rot).

If these diseases are to be controlled there needs to be an integrated approach from orchard right through to the market. The grower and the pack-house share equal responsibility while transport, storage and shipping protocols also need careful management.

Control is focused around preventive strategies using good cultural practices and pre harvest spraying in the orchard, good harvesting practices, injury prevention and minimizing spore buildup from orchard to market. Remember one rotting fruit can produce up to 2 million spores!

#### On Orchard Practices

**Pruning-** Air Circulation and light needs to be encouraged, dead wood removal stops fruit injury and spore build up and pruning improves spray penetration and coverage. Shelters should be well trimmed before harvest to improve air circulation.

**Skirting and weed control-** Skirting to at least 40 cm keeps fruit off the ground- promotes air circulation and minimizes splash onto trees from the soil which is the main source of infection for brown rot. Weeds should be kept down so as to improve air circulation and reduce humidity.

#### **Mud management**

While a short grass sward is desirable mud must be minimized and precautions taken not to get mud onto fruit during picking. Mud coming into contact with bins/crates is the primary source of brown rot and sour rot. *If mud is inevitable on the foot skids of bins, the bins should be hosed down before the bins are dipped in the bin drenching unit at the pack-house. Extension shields made of heavy duty plastic (old plastic drums) can be attached to the mud-guards of the wheels. Drivers must be educated about mud and driving should be appropriate to reduce mud contamination.*

**Drainage** of wet spots in the orchard will minimize mud.

**Nutrition-** Calcium levels must be boosted by sprays of Calcium nitrate or chloride which improves skin condition- up to four sprays up to February. Soil Calcium and ph are also important.

**Skin condition-** GA applications (for late hanging of Satsumas) also improves skin resistance and reduces puffiness. GA on navels reduces creasing.

**Thinning-** optimum crop loading reduces competition between fruit and enhances skin condition.

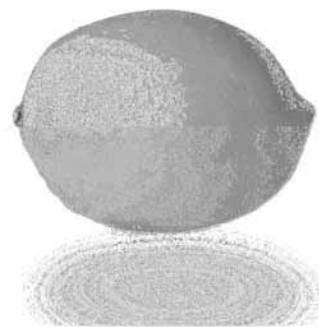
**Pre harvest Phosphorus acid** (at 300ml/100l maintenance or 600 ml/100l curative)- Brown rot is the main target here but work done by HortResearch for NZCGI in 2005 showed that it also reduced the level of soft rots. *If significant levels of active brown rot is seen it would be advisable to apply the higher rate and delay picking for 2 weeks to allow all infected fruit to drop off the tree so they do not get harvested.*

Sprays should be applied 1 week to 14 days prior to harvest – full cover spray is important. A maximum of three sprays should be applied in a season to avoid the organisms building up resistance. Copper sprays provide an alternative strategy to control Brown rot applied at half strength and under good drying conditions to avoid darkening of blemishes. Copper probably has little effect on soft rots.

(continued pg 3.)



Give it a lift with  
Fresh New Zealand  
Lemons



### Other Pre-Harvest fungicides

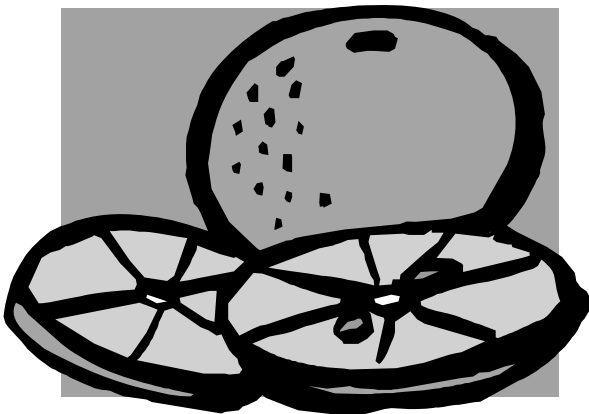
This is a very contentious subject, research results are lacking and their effect is anecdotal. In the work done last year there was no advantage in using Strobry. Currently there is no permissible limit for Topsin residues in Japan and it is only registered as a post harvest dip in NZ. There are resistance issues which would preclude their use in any case.

### Picking management

The following are important points, but the key is training, constant supervision and observation.

- \* clean bins/crates (see packhouse protocols)
- \* minimize or eliminate soil contact with bins,
- \* pickers wear gloves, have short fingernails and handle carefully especially when emptying bags
- \* Bags must be clean and disinfected **weekly**.  
*Dipping or thoroughly spraying the bags with a 1% solution of Sporekill is recommended (10ml per 10 litres).*
- \* Avoidance of picking injuries in particular clipper damage. *The commonly used clipper is far too sharp at the end and needs to be filed down at the end with a grindstone.*
- \* Quality control- checking pickers bins constantly for injuries and appropriate penalties
- \* Immediate picking up of discarded fruit and milling before spores get in. It is good practice for someone to be allocated to this task behind the picking gang. They should also remove rots and bird pecked fruit etc.
- \* Keep fruit dry after harvest and get to packhouse immediately- preferably dip within 12 hours of harvest.
- \* Harvest blocks according to internal quality tests and assessment of skin condition. Blocks that appear to be prone to puffiness should be harvested first.
- \* Ideally do NOT pick wet fruit.

10 April 2006



## Personnel Changes, Zeafruit Katikati Office

Karen Peachey (Peach) joined the ranks three years ago and has been doing a fantastic job looking after the accounts as well as many other general office duties. Sadly for us but definitely not for her she has decided to follow her heart and move to Taupo to be with Jimmy, her partner of two years.



**Again, thanks for all your hard work and dedication Peach, we are all very sad to be losing you but wish you all the best for the future.**

Sandra McLean joined the Company twelve months ago as Office Manager, since then she has developed an intimate knowledge of the company and our position within the industry. She has built strong relationships with all staff and service providers and she has been a huge support to the Managing Director taking over many of his day to day tasks freeing him up to focus on growing the business.



**As a result Sandra was appointed General Manager as at the 1<sup>st</sup> of April. Congratulations Sandra and lookout staff!**

## Northland Report

Sadly the Northern region has had to say goodbye to Dave. He has decided, along with his wife Debby and family to focus more time on ventures outside the citrus industry. All of Zeafruit staff and those service providers that have worked with Dave in the past will join me thanking Dave for his efforts. He has laid a strong foundation on which for me to build.

The weather has been hot and humid, temperatures in the 20's and humidity in the 90's. That's great news for fungus diseases and mosquitoes but not for mandarin colour.

With the Satsuma crops, we have been having good clearances with brix and acid testing but are being held back from good quantities through the packhouse by fruit colour. Also the colour variances on the trees will mean 2, 3 maybe 4 times through with picking. Some crispy cool mornings would be nice.

Glomeralla also reared its ugly head this year. As the fruit colours this disease becomes apparent. Heart breaking for some growers as nothing can be done to halt the advance.

Limes are moving steady and although pricing was good initially, returns have now come back to their traditional levels. The quality of the Kerikeri crops is excellent.

Pest monitoring this season to all intense and purposes has finished for the season. Only the Richard Specials, Lemons, and Encores have a couple more rounds to go. The systems put in place worked very well and no major issues resulted. Already more growers have made indications of joining the programme next year which is good news for the ladybugs.

More growers have made the move to Zeafruit this year which means expanding the office space. A new building at Skyline is now housing the Zeafruit operations. Growers and the like will be impressed.

Looking forward to an uneventful season this year with no unexpected surprises.

Good growing,  
Carolyn Price



## Bay of Plenty Report

Where has the year gone?

Lemons are still available in good volumes including meyer, yen ben and villa.

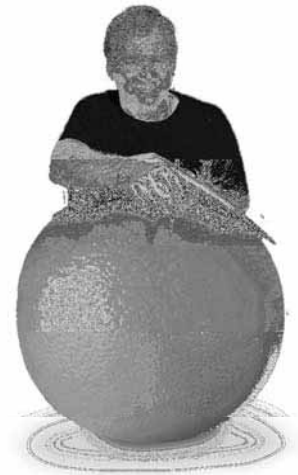
Satsumas are colouring nicely with size well up on last year, quality looks excellent across most orchards, volume down on last year but packout should be increased due to size of fruit.

I would also like to congratulate Gwynne Jones, Chairman Lemon, Lime and Grapefruit Product Group, on a fantastic article he wrote in the Citrus News NZCGI March 2006.

I suggest all growers should read this article as it relates in some way to all citrus crops grown in our area.

Heres hoping for a fine start to the satsuma season.

Thanks, Smithy



## Gisborne Report

### Satsuma

At the time of writing, Brix testing of monitor blocks were showing to be significantly ahead of the previous 4 years. To date they are 1.2 brix ahead and with the success of last years NIR technology, and the biggest and best export programme last season, things are looking promising. Gisborne and Northland fruit alike are ahead of last season but overlap will pressure the domestic market during May and June. Zeafruit remains committed to export as much fruit as possible and has the customers and track record to do so. Attached within this bulletin are reminders of best harvest and Rot prevention strategies, so please familiarise and ask for help when needed. Please also review your fungicide strategy for Japan and seek advice if unsure. Call also if you require an export update at any stage.

**Lemon** degreeing will commence shortly and when we see a bit more colour break we will kick off in earnest. Export plans are well in place but we expect to optimise the early local market as much as possible but not get too carried away given the winter Meyer crop is lighter this year. However

growth in Yen Ben production is likely to moderate returns.

The **lime** scene has been more seemly this season as total crop is lighter than previous years and with more sensible harvest and marketing behaviour.

**Valencia** crops are tailing off but the season has not been easy with additional import competition reducing market share. The additional crop available for process has meant restrictions on the rates of harvest to avoid oversupply of either customer. Remember that more Valencia could be sold domestically but result in lower returns than the process base price. Hence the need to manage the harvest balance carefully. Let me know if you have any residual crop that needs attention.

Good luck for the coming season and as always, we are here to help.

Pete, Mo, Sharon, Juan



## New National Sales Manager

For the past six years Steve Henderson (Turners and Growers Product Specialist) has been an integral external component of our marketing team. Steve, as part of his role at T&G, has been responsible for the daily distribution of our products into all T&G markets across the country. He has also built strong relationships with our key customers and supermarket buyers. His commitment to Zeafruit as a supplier to T&G has always been very strong.

Steve's early background and experience in produce retail enables him to talk easily with produce managers and buyers as he understands their issues as well as consumer behaviour & buying patterns. This knowledge and experience is invaluable to us. In March Zeafruit entered into negotiations with Steve and T&G to bring him whole heartedly into the Zeafruit team with the main objective being to allow focus on Zeafruit business and grow the citrus category. We are very happy to announce that on the 1<sup>st</sup> of April 2006 Steve Henderson became a fully fledged member of the Zeafruit team.

It is hard to welcome Steve aboard when he has in effect been part of the crew for many years, I guess now he has earned his stripes and can wear the uniform with pride.

**Welcome to the team Steve!**



G'day

The weather may be cooling down but at Charlie's we're just getting warmed up. As we write this we're getting all revved up for the **V8 Supercars** at Pukekohe where we are the official juice and water supplier for the event. Hey, racecars are thirsty work!

We're not ones to brag but what the heck! Charlie's OJ takes top honours at the **Food-town People's Choice Awards** (again. For the third year in a row.) And we beat Just Juice and Keri to do it.

We've also been out in public again at the **Christchurch Food Show**. We shared a bit of honesty with the mainlanders through our Smoothy's and Juices (not to mention our fruit – pride of place all weekend long!)

If you're one of our many shareholders, you should have received your Charlie's **interim report**. It's very intellectual and stimulating so if ya don't have one, email [claire@charlies.co.nz](mailto:claire@charlies.co.nz) and one will magically appear in your letterbox.

And one more thing: Some of the nice folk from Phoenix have moved in with us. **You could say we've grown organically**. The ladies are particularly fond of being serenaded by the Phoenix drivers over the RT!

That's about us! Stay casual and here's to a cosy winter.

Cheers,  
Charlie's

# Satsuma Export Season Report

## 2005 and 2006 overview

In the 2005 season Turners and Growers in conjunction with Zeafruit and Goldspan of Japan, decided to brand all Japanese mandarin exports under the 'Outspan' brand, and to supply only one Japanese importer. Capespan originated in South Africa but now has partnerships around the world, and a number of well recognized brands, including the respected 'Outspan' brand.

### Quality

The 'Outspan' brand is about high and consistent quality, and it was intended that by meeting these standards we would obtain a premium for New Zealand mandarins.

It was always going to be a challenge. New Zealand citrus has the dubious reputation in Japan for being inconsistent, with suppliers frequently opting for the 'she'll be right' approach, something that has consistently failed our citrus exports in high value markets.

The goal was to prove that New Zealand citrus, while 'clean and green' could also be produced to consistent high standards.

### Consolidation

The other goal was to move towards a consolidated approach to management of the mandarin season.

Our desire was to work with the market partners, Zeafruit, to achieve an orderly approach to managed marketing and avoid the extreme peaks and troughs that affect growers and marketers returns alike.

### Premium

It was intended that by combining all the above goals, we would be able to achieve a consistent product in the export market.

We also hoped to give growers a higher overall return by managing both the local and export market in a way designed to maximize returns.

### Season Overview

#### **Season Conditions**

Production started late, narrowly missing the crucial 'Golden Week' holiday period in Japan. This period is when the highest prices can be obtained, and it is economic for high volume of air freight.

The good side was that there was not a lot of rain, and high levels of sunshine, this contributed to production of high quality fruit with good skin quality and high brix levels.

#### **Market Conditions**

Missing the Golden Week period was not a good start to the season; however as it became obvious that there were only two exporters in the market, Kerifresh and ourselves, this quickly allowed the two companies to avoid the traditional price war that takes place.

This usually occurs when smaller exporters compete for the business of the smaller Japanese importers buy quoting competitive prices, the importers compete against each other in Japanese market, and the wholesalers and supermarkets play importers off against one another to further drive down prices.

In Japan, end of season competition from other fruit lines was strong, and this pushed down returns. It is sometimes overlooked that competition is not just from mandarins, but also from all other fresh fruit lines, anything that is more competitively priced to NZ mandarins will impact on sales.

The exchange rate increased the price of our mandarins, this contributed to making them more expensive, and thus less desirable to other imported and local fruit lines.

Maintaining our quality and using a consistent brand meant that towards the end of the season buyers started to seek out our product over other NZ mandarins, helping Goldspan maintain price levels.

#### **Lessons from the 2005 Season**

##### **United we stand, divided we fall...**

It is possible to take an orderly approach to the management of marketing to achieve the best result of all involved.

There is always a temptation for suppliers to split crop supplying a marketer offering a slightly better deal for a smaller program, but ultimately they would have been better to form a relationship based on a long term marketing plan.

#### **Quality control**

Work on independent quality control using SGS that was introduced in the 2005 season will continue with improvements, and research and dissemination of orchard managements techniques aimed at improving fruit standards for export will be explored. We can never afford to assume things are all right

and satisfactory, it is vital that a proactive approach is taken to quality management.

### **Timing**

We need to get into the Japanese market as quickly as possible, with the most consistent and high quality product, this is when the best returns can be made. This will be dependent on colour and Brix/acid levels per region. As part of this strategy, it is important we explore other export avenues; this will allow us to be able to switch markets and maintain continuity in management of local markets supply flows.

### **NIR**

There were no complaints about brix levels. This was no doubt helped by the weather, but also this was made possible by the use of the NIR machines. This is a significant cost; however it is a necessary one if we are to avoid claims for low brix levels.

### **Industry Politics**

There is no harm in briefly discussing pricing amongst the competition during a season to avoid being manipulated by our markets, but any discussion beyond this is not desirable.

### **The Future, 2006 and beyond**

Further consolidation of production would be desirable. Goldspan has indicated that if we were able to combine more production, then they will be able to move this product in this season's program.

While we will continue to look at ways of minimizing costs at this end, even if there were a drop in exchange rates, the market end would be aware of this and expect a more competitive price.

We are currently faced with increased shipping costs, with some shipping companies predicting

freight raises of up to 20%. Any improvement in the Yen / NZD exchange rate could be offset by increases in freight and material costs.

Attempting to transfer last seasons cost to a model based on this seasons predicted exchange rate is a risky exercise, and no assumptions should be made about next season estimated returns.

### **Expansion of the Outspan programme**

We are exploring expanding the Outspan supply program into Asia, the E.U. and the U.S.A. Because of the relative success of the 2005 season program, we have been recommended to other Outspan agents, this will allow us to discuss potential new business that will avoid us being totally reliant on the Japanese program.

Expanding cooperation with Ezypeel and other growers to expand a group management and marketing program would be desirable if we can avoid becoming enmeshed in industry politics

### **Conclusion**

I feel we have delivered on the expectations of export growers both in price (highest export returns 2005) and volume programme with good growth potential for the 2006 season.

The approach to the **2005** season with a partnership with Zeafruit was a new approach to marketing and management, and despite industry skepticism, it has not only worked, but delivered clear benefits to growers.

### **Phelan Pirrie**

**Export—Sales Executive Citrus**



## 23 weeks of easy peeling

Our Satsuma easy to peel mandarins are sourced from Kerikeri, Auckland, Bay of Plenty and Gisborne - giving you the longest possible season. Better fruit, better supply, better service.

**Zeafruit**  
from field to fruit bowl

T (07) 5491263 F (07) 5491291  
[www.zeafruit.co.nz](http://www.zeafruit.co.nz)

## More Personnel Changes, Zeafruit Katikati Office

After six years of dedicated service to the company Jo Eagle has decided to resign from her position of I.T. Manager. Jo has been instrumental in developing many of the systems and processes needed to efficiently manage a business such as ours. In recent times Jo has been focused on managing our rentable packaging accounts, an area of extremely high risk to the company. The value she has created particularly during the establishment phase of Zeafruit for both the company and our partners and suppliers has been tremendous. Jo's dream for the future is to develop a pony training business which she will operate from the home property.

We would like to take this opportunity to acknowledge Jo's contribution and wish her all the best for the future.  
**Good Luck Jo!**



**Maxine Epps** has also joined the company on a part time basis to take over the rentable packaging accounts from Jo. Max can also be contacted on the Katikati office land line and at [max@zeafruit.co.nz](mailto:max@zeafruit.co.nz)  
**Welcome aboard Max.**

**Tracey Stanford-Smith** has joined the company to take over from Karen. She can be contacted on the office land lines and at [tracey@zeafruit.co.nz](mailto:tracey@zeafruit.co.nz)  
**Welcome aboard Tracey!**



*Charlie's topples foreign owned  
Just Juice & Keri as NZ's favourite!*



*THOUSANDS of Woolworths & Foodtown shoppers voted Charlie's as their "preferred juice brand!!"*

## Growers Payment Schedule

Period Ending 30/04/06	16 May 2006
Period Ending 15/05/06	31 May 2006
Period Ending 31/05/06	16 June 2006
Period Ending 15/06/06	3 July 2006