

# APATA KIWIFRUIT UPDATE

July 2008

## Welcome to the July issue of the Apata Kiwifruit Update

In this issue:

- Use of Hi-Cane
- Shipping Update
- Grower Payments Update
- Explaining the Grower Payments System
- ZESPRI™ Gold Tender Process
- Pruning Gangs Available

### Use of Hi-Cane

Another Hi-Cane season will quickly be upon us again. You will have noted that the EU has banned the use of Hi-Cane (and similar products) **in the EU** so there is almost sure to be more scrutiny than ever on the industries use of Hi-Cane this coming season. We all need to work together to ensure that we get through the season without any incidents.

NZKGI and ZESPRI are running a series of workshops covering recent research work on the improved application of Hi-Cane through the use of air inclusion nozzles and anti-drift additives. We encourage growers to attend a workshop.

#### Wednesday 9 July

2.00pm - Te Puke Club, 50 Jellicoe Street, Te Puke

#### Thursday 10 July

9.00am - Fahy's Motor Inn, 1237 Cameron Road, Tauranga

1.00pm - Omokoroa Settlers Hall, Omokoroa Road, Omokoroa

### Shipping

The industry is in short supply of Gold 16s, 27s and 36s to Japan. Orders are now being issued restricting Gold Y (disorder indicator 1) fruit for use on Japan orders only, as ZESPRI realise they will be struggling to meet the Japan requirement.

The shipping programme graphs for the remainder of the season have reached the Apata shipping desk. Indications are that the industry will have consistent workload of approximately 3,500 pallets per vessel from week 28 to 42 for Asia charters, the Europe charters are less even with peaks of approx 10,000 pallets in week 33 and approx 11,500 pallets in weeks 36 and 38. Volumes in between are variable, containers reduce significantly after week 28.

Apata is loading HWCK, HWOB and GKCK from 4 -12 July to the following markets: US, China, Malaysia, Korea, Japan and Europe.



**apata**  
partners for growth

All loadouts pending for the Apata Entity (ordered but not yet loaded out) as at 27 June:

	<b>Class 1 Green</b> 495,119 TEs
	<b>Class 1 Green Organic</b> 124,461 TEs
	<b>Class 1 Gold</b> 116,722 TEs

## Grower Payments Update

### Progress Payment

Progress payments are discretionary monthly payments requiring ZESPRI Board approval. They are paid on fruit submitted into inventory, and reversed on fruit loss.

In previous years ZESPRI has paid the same amount across all count sizes - this year this has changed significantly.

Progress payments have been calculated to ensure cash is returned to the grower as quickly as possible and fairly across all sizes. Payments have been set so that year-to-date, the percentage paid of total fruit and service payments across the sizes are equal where possible.


Size 42 progress payments will not be made for ZESPRI Green Conventional and Organic fruit because the percentage of total fruit and service payments paid are higher than the other sizes. Gold count size 42 is now Non Standard Supply (NSS).

If you have any questions about Apata's grower payments, please contact Dinah Rutherford on 07 552 0504 or email [dinah@apata.co.nz](mailto:dinah@apata.co.nz)

## Explaining the Payment System – 'Taste'

**Related terms: Taste Payment, Taste ZESPRI™, Taste ZESPRI Grade, Y,T,R,M Taste Bands, Minimum Taste Standard, Supply Taste Payment**

Taste is a core reason why consumers buy kiwifruit and great tasting fruit encourages people to buy again. Global health research commissioned by ZESPRI in November 2007 showed that 19 percent (the largest portion) of the decision to purchase kiwifruit is directly attributable to taste.



The Taste ZESPRI™ programme incentivises and rewards growers and post-harvest operators to grow, segregate and deliver high dry matter fruit to Japan, our highest orchard gate return market, and to lift the average taste experience for all of our markets.

In 2008 a graduated grower payment for high dry matter fruit will again be paid by ZESPRI on trays loaded out. The payment rate will be determined from the individual Taste ZESPRI™ Grade (TZG) per maturity area multiplied by the Maximum Taste Payment (MTP) as advised by ZESPRI. The Grower's TZG that will apply to fruit from a maturity area will be shown on the Maturity Clearance Notification form.

**The Entity rules that we operate under are:**

- Taste ZESPRI™ pools, by Class 1 fruit variety, will be established, by maturity area and funds will be distributed to the Grower on the basis of submitted trays.
- The dry matter testing and maturity set-up charges associated with meeting the prescribed standards will be a direct charge to the grower.
- Your Taste payment is calculated as a percentage of the total revenue received from ZESPRI, in relation to all Growers, based on your highest TZG by maturity area, by total submit trays per maturity area. The total \$ value for all your maturity areas is added together and paid as a lump sum via the Individual Pools, by Grower. The Pool Payment advice shows your per tray amount over submit trays.
- The balance of the Taste Pool will be paid out progressively from ZESPRI and we will continue to recalculate your percentage of each payment and pay accordingly.

**Taste ZESPRI – Supply Taste Payment (STP)**

In 2008 ZESPRI will pay a Supply Taste Payment based on your TZG results for Y & T category fruit shipped to Japan. Qualifying trays will be extended to include any retrospective adjustment made by ZESPRI for KiwiStart fruit. Please note that ZESPRI establishes the level of Gold core disorder acceptable for Japan.

**The Entity rules we operate under are:**

- Separate STP Pools, by Class 1 fruit variety, will be established for the three Taste Bands (Y, T & M) comprising all lines suitable for export to Japan that meet the Y, T & M criteria at the time of packing. This will include any adjustments made retrospectively by ZESPRI for KiwiStart lines.
- All funds received will be fully distributed to the STP Pools progressively throughout the loadout period.

**Confirmed rates for 2008**

STP per t/e Shipped to Japan	Y	T	M
HW1CK	\$0.50	\$0.30	-
HW1OB	\$0.60	\$0.40	-
GOLD	\$0.50	\$0.30	-

If you have any questions about Apata's grower payments, please contact Dinah Rutherford on 07 552 0504 or email [dinah@apata.co.nz](mailto:dinah@apata.co.nz)

## ZESPRI™ Gold Tender Process

The remaining 222 hectares for Tranche 3 of the GOLD licence process are due for release this month.

The Tranche 3 tender process is scheduled to open on 18 July and will close on 29 August 2008. Successful tenderers in Tranche 3 will have until 30 September 2010 to plant and/or graft their licenced area.

### Revised Payment Dates

In response to concerns expressed by growers about payment timing, the ZESPRI Board has agreed to postpone the due date for the 80 percent balance of the licence payment from 30 September 2008 to 27 February 2009. This will give successful tenderers more time to arrange their finances or lease additional land prior to planting or grafting their new vines in 2009. All other key dates in the tender process are unchanged from previously advertised.



### Information Regarding Any Future GOLD Licence Release

Tranche 3 will complete the staged release of the additional 600 hectare increase in New Zealand GOLD plantings that the ZESPRI Board approved in principle in August 2006. The ZESPRI Board has confirmed that there will be no need to release further GOLD licences in New Zealand in the foreseeable future as existing plantings (including the 600 hectares from the current tender process) are expected to produce sufficient volumes of fruit to meet market demand through to 2015. The Board's decision relates to Hort16A licences only and is based on current knowledge and assumptions about future demand, production yields and other variables which may change and therefore may cause the Board to revisit its decision in future.

An information pack containing a prospectus and a sample licence will be posted to interested growers and made available online at The Canopy ([www.zespricanopy.com](http://www.zespricanopy.com)) from 18 July.

## Pruning Gangs

Apata has been notified that there are experienced pruners with references who have extra capacity at present. Please note: Apata brings this to your attention for interest purposes, but in no way endorses any particular pruning gangs.

- **Moala:** areas Te Puke/Tauranga. Phone 027 749 2272
- **Jahangir:** areas Te Puna/Tauranga. Phone 027 578 9010



## Apata Contact Details

### Tauranga

Turntable Road RD2 Katikati  
Phone: 07 552 0911  
Fax: 07 552 0666

83 Pyes Pa Road RD3 Tauranga  
Phone: 07 543 1211  
Fax: 07 543 0096

### Northland

37 Southend Avenue Whangarei  
PO Box 1507 Whangarei  
Phone: 09 430 8003  
Fax: 09 430 8006

reception@apata.co.nz  
www.apata.co.nz

## Grower Services Contact Details

### BOP Gold Growers

Barry Penellum 027 453 6423

### BOP Green Growers

Ross Mutton 027 648 5577

### Northland Growers

Steve Brown 027 200 9954  
Graham Teal 027 285 0392

### Technical Support

Wade Hunkin 027 481 9905

### Grower Services Manager

Bevan Bayne 027 511 6666

### Grower Services Office

Margaret Anderson 07 552 0512

### Communications Manager

Cassandra Thurston 07 552 0535  
027 500 8587

### Grower Payments

Dinah Rutherford 07 552 0504

**DISCLAIMER:** The information contained in this publication is intended to be of a general nature and should be treated as a guide only. Apata makes no warranty or representation as to the accuracy or completeness of the information, photographs or other published material in this publication. In this publication, published material authored by a person other than Apata reflects the view of the author and not the view of Apata. Apata shall not be liable to any person for loss, injury or damages arising from any person's reliance on the published material.