

EP People



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A message from Tony



2013 Update

There is now just 5% of our total crop this year in coolstore remaining to be shipped. The demand from our overseas customers this year has been unprecedented. This bodes well for the future of our industry.

It is also very pleasing to see that green fruit loss continues to track well below last year. It is likely that EastPack's Green fruit loss will be approximately 40% lower than last year (which is also a record low year and the final fruit loss should be in the region of 1.5% of the total fruit packed).

As a lot of you are aware reducing fruit loss has been a major focus of EastPack and the industry for a number of years. A lot of thinking, analysing, planning and importantly implementation has been undertaken. Many thanks to all concerned. It is also gratifying to hear from the operational team that improvements have been identified for the 2014 season. This really is operational "excellence" working at its best!

Our Industry – Quality

Continuing on the theme of fruit loss – Just three years ago (2010) the fruit loss in Europe alone amounted to over \$30 million. It is likely that this year the fruit loss in Europe will reduce to less than \$5 million. That is big improvement by any metric, and importantly these savings come directly back to New Zealand.

Producing a high quality piece of fruit for our overseas consumers is probably the single biggest factor that differentiates New Zealand kiwifruit from other countries that also grow and sell kiwifruit. It is important that when we ship/export a pallet of fruit that it arrives in the condition that appeals to our discerning customers. The prices that we charge our consumers is high, so it is important that we ensure they have a pleasant eating experience.

The other critical factor of quality is that of taste. 2013 has probably produced the best tasting fruit ever! The now almost forgotten '70 year drought' of earlier this year greatly assisted the excellent taste characteristics of this year's harvest. But also our technical team and growers are understanding more and more of the on-orchard techniques to improve the taste of our kiwifruit. The combination of ensuring each piece of fruit looks and tastes terrific will help our product and industry remain in the top tier of fresh food producers in the world.

Psa Recovery

The other major good news story is that we now think that Psa is no longer going to decimate our industry. This was not the case last year when both Green and the new G3 (GA) varieties were showing signs of serious symptoms of Psa infection. It is very unfortunate that the Hort16A variety has succumbed to Psa but we are now a lot more confident that Green and G3 will be able to tolerate Psa.

There are numerous reasons why we are a lot more confident about reducing the impact of Psa volumes. These include in no particular order, the 70 year drought (Psa doesn't spread when it is hot and dry), removal of Hort16A, understanding better how the Psa bacteria spreads and with more crop protection techniques becoming available.

This is quite a remarkable turnaround in such a short time, they will have to be ever vigilant to ensure that Psa bacteria is not allowed to build up and that the spread of it is minimised. The future is a lot brighter than 12 months ago – this is a credit to all concerned and is a great example of Kiwi ingenuity, problem solving and determination.

Our People

As discussed in last month's newsletter October has seen a big month in training. As requested in the June staff survey, by the end of October all EastPack full time staff will have completed the Introduction to Lean Manufacturing two day course. Over 130 people are involved. Also the "Train the Trainer" course was completed in late September. This will help ensure that our trainers will have a structured approach to training. The next stage for the trainers is how best to deliver the message.

Tony Hawken
CHIEF EXECUTIVE

Our People

Staff Profiles

KARAMJEET SINGH **IT SYSTEMS ENGINEER, EASTPACK IT TEAM**



Karamjeet's role includes effective provisioning, installation/configuration, operation and maintenance of EastPack information systems hardware, software and related infrastructure. Karamjeet is also involved in technical research and development to enable continuing innovation within the infrastructure.

He has been employed by EastPack for one year. Prior to joining us he worked as an IT Technician at Katikati College (Western BOP) for four and a half years. Karamjeet has a Diploma in Computer Engineering, a Bachelor Degree in Computing Systems, as well as a CCNZ Exploration qualification (if you're into IT that will mean something to you!). He enjoys watching sports and movies, travel and lists special achievements as being the Top BCS student at Bay of Plenty Polytechnic in 2010, being awarded for best BCS final year networking project and being selected as Employee of the Month at Quarry Road earlier this year.

B KAMAL JEET **IT MANAGER, EASTPACK IT TEAM**



Kamal manages the IT Department/Operations company-wide and is responsible for improvement and growth of the IT infrastructure and IT Systems across all sites. Currently he is enjoying the exciting new challenge of building the core IT Infrastructure for EastPack, post-merger. Kamal moved

to New Zealand in 2003 and joined EastPack just over seven years ago. His previous employment was in front office operations at The Imperial, a leading five star hotel in New Delhi, India.

He is currently pursuing an MBA – IT, via distance learning. He holds a number of other qualifications including: a Diploma in Information and Communications Technology, a Bachelor of Arts, a Diploma in Hotel Management and a Diploma in Travel Tourism.

Kamal's favourite sport is tennis, and as a premier member and regular visitor to the Australian Open, Kamal plans to watch the French, Wimbledon and US Open Grand Slam finals at

Employee of the Month September



Marshall Road

Ralph Goodrick

Ralph has been at Marshall Road since 2006. He is our bin tip operator for kiwifruit and avocado packing. However it did not take very long for us to recognise that Ralph had many other skills under his belt – that belt being a builder's one. He is an asset to our site for many repairs and maintenance tasks and quietly gets on with the job producing many extras like these amazing new smoko tables, recycled from old bins that were about to be disposed of. Of course his practical 'handyman' skills are also very useful in his bin tip work where he maintains an efficient and operational work area. Congratulations Ralph on your contribution to the Marshall Road site.

some stage. Apart from tennis he enjoys swimming and travelling.

Kamal is married to Bhavna Kaul, who previous worked at Quarry Road and who now works as a Regional Planner for Zespri International; although she is currently on maternity leave looking after their first baby boy, Sanay (eight months old).

Kamal's personal achievements include achieving Top IT Student (2007/2008), finishing his IT studies with maximum merits, being chosen as a Student Ambassador for IT to promote BOP Polytechnic's IT courses and image across New Zealand at various career expos

in NZ and overseas, and also being chosen as the Student Council Representative for IT at the Polytechnic.

Contributions

Your newsletter contributions are welcome. If you know of something interesting that is coming up, an employee contribution that needs to be celebrated, a new addition to the family... please let your site HR or Administration Manager know.

Celebrations & Site News

Employee of the Month – September



Grower Services Te Puke/Edgecumbe

Craig Wotten

Craig is committed to assisting not one but two regions, managing orchards in both Te Puke and Edgecumbe! He also sets the standard in regards to his attitude and professionalism. Well done Craig!



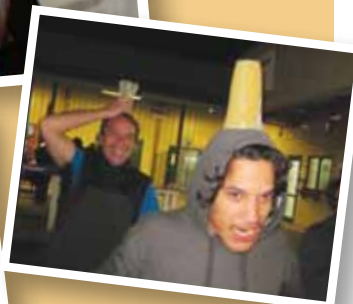
Opotiki

Tina Gedson

Fruit Storage Manager Tina won Employee of the Month for her great organisation during the busy repack period.



Congratulations to all those that had the courage to participate in the EastPack Fear Factor challenge for 2013. Great fun was held by all and obviously for some "Fear was definitely not an option!"



Collins Lane Fear Factor Champions from left: Whaka Himiona, Richard Corless, Bubs Tango, Sam Mansell, Apii Daniels and site manager Adrian Osterman.

Our People

Senior Leadership Update

Human Resources: Planning for the implementation of the iDt finger scanning system into the Eastern Bay sites is underway, with installation and testing planned for late November. The HRIS system People Inc has been approved and will be installed by November. The system will provide the opportunity to record employee data and produce site and company reports on a number of different fields including health and safety and training.

Finance/Admin: EKO is now transacting live on GreenTree and we are now starting the process of mapping EastPack accounts from MYOB to GreenTree. The company budgeting process for 2014 is now underway.

Grower Services: The team is currently implementing structured orchard visit three (SOV3). In this visit the team will meet with our growers to assess the quality of winter pruning, any signs of Psa and frost protection systems. They will also discuss our spray programme and ensure our growers are up to speed in regards to our best practice recommendation. Finally the team will also ensure that our growers have a plan for the upcoming tasks including pollination, canopy establishment, flower bud thinning and girdling. To help support our focus on increasing orchard productivity, our regional teams are also running regional spraying field days. In terms of growth, EastPack's reputation for operational excellence and customer service has helped pick up over 500,000 net new trays so far this season.

Packhouses: With CA packing finished, the recent focus has been on repacking and loadouts. The last Europe vessel has sailed and we now have less than 1 million trays remaining to be shipped. It has been a fantastic effort by our packhouse teams to get these vessels loaded over the past few weeks and keep fruit loss to a minimum.

Over 80 people across the company are involved in "Lean 4x4" courses at Washer Rd over the next couple of weeks. This will help improve understanding of what Growing Excellence is all about across a wider group.

Supply and Order: Last week saw the end of the shipping programme to Europe with three charters loading during the week. This was handled well by the operational teams with the weather being the only significant hiccup in loading the vessels. Fruit quality continues to hold up and feedback from the markets is that outturn has been good to date. The remaining fruit will be going to the Asian markets with the Japanese market being the last shipping market in week 47, which will be a later shipping week than we have seen for a number of years.

The inventory and quality teams have been classifying the expected fruit quality for Europe over the last two years and this year it has been introduced into Japan. This has seen a significant focus introduced into the Japanese supply chain which we expect to have some positive impact on cost of fruit quality in that market. The Class 2 programme into Australia is going well and we are starting to see some signs of improvement in the market which has been a bit flat so far this year with the economy and elections earlier in the year. The local market is also going well with good quality fruit which was stored in bins being packed at Washer Road.

IT/IS: The installation of fibre cable to Quarry Road and the Domain (Link) consolidation work for all sites is on track to be completed in late October. The result of this is work is expected to be reliable links to servers companywide. Current planning for 2014 IT Capex is underway.

Growing Excellence: This week the company-wide Lean training commenced. Over 130 people will be completing Lean training over the next few months including Operations, Grower Services, Supply and Order and Finance and Administration.

The Senior Leadership Team

Tony Hawken, Matt Hill, Nigel Martin, Kerry McCree, Jason Gibbs, Richard Fraser-McKenzie, Donna Smit, Ginny Moore, Heather Burton

KiwiPlus

We are currently undertaking a review of our current Kiwiplus data inputting processes. To implement this review we have assigned a team of experienced KiwiPlus users from each department, with the focus of improving our current processes. The team's main objective is to develop standardised data collection, focussing on enhancing Radford's current systems to suit EastPack policies and procedures, thus reducing the need for out sourced programming. We will then develop documented procedures to ensure accurate training and development is achieved. As part of this process the current enhancement process has been reviewed and a flow chart will be sent out shortly. We wish to ensure all sites have the opportunity to review enhancements prior to Radford's implementation. This will ensure the KiwiPlus programme meets all sites needs and enhancements are completed on time.



Pink Ribbon Day

A big thank you to all staff for your support this year. EastPack has raised over \$240 for this worthy cause so well done!