

NEWS FROM MG

GROWER PROFILE

SOUTHERN ALP SPROUTS LTD

LEVERAGING INNOVATION AND SPROUTING SUCCESS

Southern Alp Sprouts exemplifies the Kiwi No8 wire spirit of innovation and problem-solving, but the company's success goes far beyond that. Karen and Jason McGrath's 25-year journey from a rudimentary garage setup in Springfield to becoming a leading New Zealand supplier of nutrient-rich sprouts is a story of passion, ingenuity, hard work, and an unwavering focus on quality and food safety.



↑ Procurement Representative Mike Breitmeyer, Factory Manager Cherry Lai, Jason & Karen McGrath, and MG team member Ellery Tappin.



Jason and Karen McGrath at the MG 100 Year Event

times like the Christchurch earthquakes and the recent pandemic. Their foresight in having contingency plans, such as backup generators and additional trucks, ensured that Southern Alp Sprouts could continue operations without interruption.

"In 25 years, we haven't missed a single day of production—even through the earthquake, snow dumps, and the Covid pandemic."

"Jason is so clever. He has backups and alerts for everything, including power and water pressure. He's also driven much of our automation. A game-changer was the automatic watering system Jason designed and built. In the early days, I was having to get up in the middle of the night to water the sprouts, which meant I was working up to 18 hours a day."

"Then, during Covid, we were in a position where we were both working 24/7 to keep this place operating. Under that sort of pressure, we needed to find alternative ways to operate, and that led to some of the innovations we use today, such as the multi-head weigher and shaker table which separates the husk from the sprouts."

Looking ahead, Karen and Jason are excited about the future of Southern Alp Sprouts. They have built a capable and loyal team of ten who have freed them up to focus on further product development and their next phase of growth.

With a strong foundation and a vision for the future, the McGraths are poised to continue their mission of providing high-quality, nutritious sprouts to consumers, promoting a healthy and sustainable way of eating.



Initially armed with Karen's agricultural and horticultural expertise and Jason's mechanical engineering skills, the couple began growing sprouts, eventually turning a small-scale endeavour into a thriving business. Their passion for the health benefits of the product, coupled with their relentless drive and resourcefulness, has led the business to become a leading New Zealand supplier of these nutrient-rich sprouts.

The turning point for Karen and Jason came when a mentor connected them with an Australian sprout grower, and while it highlighted the industry's demanding nature and the challenges which lay ahead, they were able to glean a better understanding of how to take their operation to the next level.

"Yes, it's true we started with a bathtub in the garage," says Karen. "It was difficult to get the temperatures right, so Jason brought in a portable three-metre square unit in its place. As the business started to take off, he then added a 160 square metre shed, along with refrigerated containers for dispatch and more containers for storage and packaging."

As demand increased, they outgrew their Springfield operation and set about building a new, 900 square metre, purpose-built facility in Yaldhurst, where Southern Alp Sprouts has been based since 2007.

Today, Southern Alp Sprouts supplies 11 different products, which include alfalfa, mung beans, snow peas, onion, crunchy mix, radish, and broccoli. These sprouts, known for their exceptional nutritional value, are distributed to major supermarket chains and sold through MG Group markets in three South Island locations.

"We have partnered with MG for our full 25 years and have a great relationship with Bex Sheed from the Christchurch branch and Mike Breitmeyer from the procurement team, along with MG Dunedin, and Invercargill."

The key to Southern Alp Sprouts' success lies in the meticulous care and attention given to every aspect of the production process. From ensuring water quality to maintaining consistent temperatures and rigorous quality assurance protocols, the McGraths have dedicated countless hours to developing a business which has earned them an international reputation as one of the best in the industry.

Karen is a strong advocate for the health benefits of this superfood, often emphasising their nutritional value. Studies have shown that sprouted vegetables possess anti-inflammatory and antioxidant properties.

"I wish more people knew how good they are for you and how economical they are. There are a lot of processed foods that offer nothing in terms of health. Sprouts are as natural as can be—they're a living product, and it costs very little for a punnet of sprouts, and you get what you need to keep you going."

The McGraths' dedication to innovation extends beyond their products to their business practices. They have embraced automation to enhance efficiency and productivity, especially during challenging

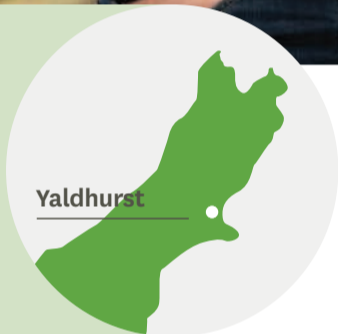


COMBINING HARD WORK & STRONG RELATIONSHIPS TO GROW A BUSINESS

Main crops grown



Cauliflower & Cabbage



↑ Andrew Kyle & MG Procurement Representative Andrew Body

Mike Breitmeyer (MG), Harrison Kyle, Andrew Body (MG), Andrew Kyle →



In the productive paddocks of Yaldhurst, near Christchurch, Andrew Kyle is continuing a legacy that began over a century ago. The land where his business grows vegetables has been in his family since 1915, when his grandfather, a veterinarian who moved from Australia, purchased the property.

“My grandfather came from an agricultural background. When he came to New Zealand he had harness horses and introduced Guernsey cattle into New Zealand,” says Andrew.

Andrew’s journey into horticulture was shaped by his early exposure to farming and the influence of key mentors. His father, who grew potatoes, peas, and cereal crops on the family land, passed away when Andrew was just 11 years old. From a young age, Andrew was determined to make good of the land, and he continued to navigate his path towards becoming a grower.

Two pivotal figures in Andrew’s development were local grower Neville Morris, who leased land from Andrew’s father in the 1970s, and neighbour Anthony George, who Andrew worked for part-time while in school.

“When I was a kid, I’d spend a lot of time out in the paddock with Neville, watching and copying what he did,” Andrew recalls. “We also had vegetable grower Anthony George living next door. He was almost like a father figure to me, and it was through Anthony that I got to know more about MG. When I was in school and working for Anthony, I’d also grow

a few parsnips and potatoes and send them to the market.”

After leaving school, Andrew attended Flock House, a practical farm school in Bulls, and later went on to Lincoln University.

“At Flock House, I gained a lot of knowledge — not just in agriculture and cropping, but in mechanical, building, engineering, and maintenance work,” he explains. “I followed that by going to Lincoln Uni, and because I wanted to make the most of our land for growing, I focused on horticulture.”

Andrew credits his relationship with the MG Group as an important factor in the growth of his business.

“I’ve had a lot to do with Grant Stumbles from MG Dunedin over the past 30 years, and he’s encouraged me to do more with MG,” Andrew says. “The relationship with MG has been great. A number of people in the business have helped grow and strengthen me as a grower.”

Today, Andrew’s operation stands as a true family business, producing mainly cauliflower and cabbage, along with a smaller variety of other crops, including corn, courgettes, beetroot, silver beet, and onions. His son Harrison, who is currently at

university, finds time to work on the farm, along with his two sisters, Charlotte and Milly, who are still in school.

“Harrison is really involved. He’s at Uni but works too and spends all summer doing planting, tractor work, and everything else. Charlotte, my youngest, helped with all of our planting last season, and Milly is also on the payroll,” says Andrew.

The farm’s success is built on hard work and resilience, values that Andrew lives by.

“There’s no compromise for hard work— it can be a tough industry but you get up and you get into it, and keep going no matter what,” he says. “There are times when it’s hard yakka and nothing seems to go your way, but you have to keep dusting yourself off and keep at it.”

A key to success is making connections with good people, being prepared to take advice and collaborate. To that end, Andrew says he works closely with MG to plan his season ahead and meet market demands. “Working alongside MG really helps. I keep in touch with them on what the market needs and don’t tend to go too far outside of a set growing programme,” he adds.



↑ Andrew Body (MG), Andrew Kyle, Mike Breitmeyer (MG) & Harrison Kyle

NEW ZEALAND'S PATH TO SUSTAINABLE PLASTIC PACKAGING



What It Means for Growers

In an effort to address the environmental impact of plastic packaging, New Zealand is embarking on a project to design a Plastic Packaging Product Stewardship Scheme (PPPS), which aligns with the Waste Minimisation Act 2008. Announced in September 2022 by the Minister for the Environment, the project aims to create a more sustainable and circular economy.

This model will encompass all types of plastic packaging used for consumer goods, except for beverage containers, and will also include liquid paperboard and compostable plastics.

All packaging used for consumer goods at retail or wholesale level (excluding beverage containers) made of plastic resin codes 1, 2, 3, 4, 5, 6, or 7, singly or in combination with one or more of these plastics or any non-plastic material, and not refilled by the producer for retail sale or able to be refilled by the consumer at a retail establishment.

The PPPS is designed to ensure that producers of plastic packaging bear the responsibility for the lifecycle of their products, including the costs associated with recycling. This approach is not only expected to reduce the environmental impact of plastic waste but also aims to encourage innovation in packaging design to enhance recyclability.

To date, several options have been explored to improve plastic packaging collection and recycling infrastructure. The three primary infrastructure options are:

1. System unchanged but producer pays:

This option involves utilising existing collection systems and imposing differential levies on producers based on the sustainability of their packaging choices.

2. Increase volume through existing channels:

This focuses on increasing public awareness and education about recycling practices, alongside increasing the availability of collection points for plastic waste.

3. System change to full source separation:

The most ambitious option, this involves overhauling the current collection system to separately handle different types of plastics, leading to improved sorting and more efficient recycling.

For growers, the PPPS initiative presents both challenges and opportunities. The scheme's focus on sustainable packaging means more consideration will need to be given to packaging choices. The transition may involve additional costs initially, especially if changes to packaging materials or practices are required to meet new standards.

While final details are still pending, a fee structure is being considered as an option to help tackle packaging waste. This could include a membership fee for producers using a low volume of packaging, a modest fee for producers using packaging that is kerbside-collectable, and a larger fee per tonne for those producing high volumes of hard-to-recycle packaging. It is also important to note that if your brand is on the packaging, you will be responsible for the fees – even if you are not the actual producer.

It is hoped that the shift towards sustainable packaging will open up new avenues for innovation and differentiation in the market. As the scheme matures, it is expected to create a better and more efficient recycling system, potentially lowering costs in the long term, while also reducing plastic waste.

As the country moves forward with the PPPS, the involvement of all stakeholders, including growers, is crucial. Staying informed and engaged in this process will help growers navigate the imminent changes.

Visit the PPPS website for more information, including how to provide feedback:

www.ppps.org.nz



USE OF DRONE TECHNOLOGY

Harnessing the Power of Drones: The Future of Smart Farming in New Zealand

As New Zealand's horticultural landscape continues to evolve, new technologies are becoming increasingly prevalent. One of the most promising advancements in this area is the use of drones, or unmanned aerial vehicles (UAVs), to enhance farm management. Drones are transforming how growers monitor crops, apply treatments, and optimise yields, offering a range of benefits from increased efficiency to environmental sustainability.

Agricultural drones are specialised UAVs designed to assist with various farming tasks. These drones can survey large fields, capture high-resolution images, and provide real-time data on crop conditions. This technology allows growers to detect issues such as irrigation problems, pest infestations, or nutrient deficiencies that might be missed during ground-level inspections.

Spraying and seeding:

In certain circumstances, drones can offer more efficient ways to apply pesticides and fertilisers. Traditional methods can be less accurate and labour-intensive, but drones can be programmed to distribute these substances evenly, which reduces waste and minimises environmental impact. Additionally, drones equipped with seeding mechanisms can plant crops in areas that are difficult to access.

Watering:

Drones with certain technology can support the growth of healthy plants by monitoring water levels and soil moisture, helping growers identify areas needing more or less irrigation. This can lead to targeted watering, helping to conserve water.

Mapping and surveying:

Drones equipped with cameras and sensors can cover large areas, capturing detailed images and GPS data. This information helps create maps that can highlight variations in crop health and soil conditions. With these insights, growers can make informed decisions about where to focus their inputs, ensuring optimal crop performance.



Looking Ahead

When used correctly, drones can support productivity by allowing growers to cover more ground in less time with fewer resources. They can help provide data that leads to better farming practices, improving sustainability.

As technology advances, drones will offer even more features, such as real-time data analysis and autonomous operation. These innovations will make farming more efficient and resilient, helping growers meet the challenges of an ever-changing landscape.

↑ Australian growing operation, Mulgowie Farming Company, image of on farm drone used for spraying (Image supplied).





STANDPOINT

NAVIGATING THE UNEXPECTED

In the fast-moving fresh produce industry, one thing remains certain - unpredictability is the only constant. We only have to look at our very recent history to know the impacts sudden weather events, market fluctuations, and technological disruptions can have on our industry.

Across the MG Group, we've seen firsthand the importance of being prepared for when things go wrong. While we pride ourselves on being agile and reacting quickly, we also spend time proactively planning for different scenarios. A business continuity plan (BCP) helps us stay resilient and navigate unexpected challenges more effectively.

A good place to start is discussing potential issues with members of your teams and putting down on paper the things you'll need to do to stay operational during a disruption. At MG, we include everything from data recovery

and communication strategies to supply chain management and employee safety. The goal is to minimise any downtime and ensure that the most important parts of the business can continue safely.

The global IT issue, caused by CrowdStrike cybersecurity software, is a recent reminder of how important it is to be prepared. It highlighted the vulnerabilities in the world's increasingly digital-dependent operations. It showed us that a single point of failure in technology infrastructure can lead to widespread disruptions. For us in the fresh produce industry,

where timely information flow and fast-moving logistics are crucial, it had far-reaching consequences.

At MG, our internal systems were unaffected, however, an external company we use to manage our operational system was impacted, which caused disruption to our market business. For us, it meant getting ahead of the challenges, switching to some old systems, and reverting back to more manual recording. Our operational IT system was down for less than 24 hours, but it took several days to re-enter all the information and get back on track. Our teams across the country did a great job, and we learned a great deal during the incident. This includes assessing what we could have done differently, highlighting our vulnerabilities, and looking at the specific risks we hadn't considered in the past.

During any disruption, clear and timely communication is critical. Our plan includes a communication framework to ensure that employees, customers, suppliers, and business partners are kept informed.

The CrowdStrike issue also reminded us that a business continuity plan is not a static document and needs to evolve with changing circumstances. It's important to review and update a plan to reflect new risks and lessons learned from past incidents. This flexibility ensures that we are well-prepared to respond to the unexpected.

As everyone in the produce industry is aware, the unexpected will always be a part of our industry. However, spending time thinking about how to be prepared can turn potential crises into manageable challenges. Remember, it's not about avoiding crises altogether but being ready to face them more effectively.



® Together.Stronger.

Peter Hendry
CEO



Roger Georgieff awarded Summerfruit NZ life membership award

The MG Group is thrilled to share the news that Roger Georgieff, a key figure in the horticulture industry, has been awarded the Summerfruit NZ Life Membership. Through his leadership roles at the MG Group and as a former SFNZ board member, Roger has been a strong advocate, with his dedication and passion for summerfruit growers leaving a lasting impact. Please join us in celebrating Roger's incredible contributions and this well-deserved recognition.

As many in the industry are aware, Roger is currently battling a serious health issue, which prevented him from attending the event. The award was accepted on his behalf by Jamie Russ from the MG Group.



The challenge retaining good people

It is often said in our industry that people are the greatest asset. However, a challenge for some businesses in the horticulture sector has been the retention of good people.

While the labour market is easing and there's been a slight increase in the unemployment rate, some growers are still struggling to fill roles in their business. Even when they do, they find it difficult to hang on to good employees. This is due to a combination of external and internal factors. External factors are issues you don't have direct control over, such as the economy, global events, and technology. However, internal factors are those you can influence, such as business culture, leadership, relationships, and your business systems and processes.

Spending time thinking about how these impact your business is a good first step. You will then be in a better position to develop strategies to help meet your labour requirements and get the right skills on board.

It's also important to recognise that everyone brings something different, and that it's not about simply filling a vacancy. Our industry is full of colourful characters with their own unique personalities and quirks. How leaders manage individuals and teams, deal with performance, and what they tolerate will determine the culture of your business.

It's also determined by how effectively you communicate and engage with your people. It makes sense that people who are informed and care about the business are more likely to be driven to help achieve your goals. Engaged staff are also less likely to leave, more likely to behave safely, and less likely to take unnecessary sick days. It's also important to ensure everyone feels safe to speak up and is listened to when they see something that doesn't align with the culture you want to promote.

Research also tells us that people are ten times more likely to quit because of a poor work environment and culture than for pay-related reasons.

Additionally, better communication about career pathways and opportunities within your business will likely strengthen retention. There are also mixed feelings about the impact of new technologies on the future workforce, which suggests that more conversations and education on this front could be beneficial.

The backbone of any successful farm is the strong connection between leaders and the people who keep things running day in and day out. If you pay attention to the leadership style in your business, you're much more likely to create a culture that's not just productive but also encourages people to stick around.

When you create a healthy culture and manage behaviour the right way, you naturally become an employer of choice. That reputation makes it much easier to attract and retain top talent, especially when there's competition for good people.

