

Future Orchards “Business Development Group” Newsletter

Prepared August 2016

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OrchardNet Update

The winter months are a great time to sit down in front of your computer, enter your historical data, and start planning your 2017 crop.

If you don't have a plan, “you'll do what you've always done” and probably get the same result or worse. Use OrchardNet to track the history of your blocks and to benchmark with other blocks of the same variety and age. Set a goal for 2017 and then work out what inputs will be required to achieve that goal.

The OrchardNet database continues to grow with currently; 158 companies, 291 properties and 1,498 blocks registered. The production and fruit size databases are now large, robust sets of data that means you can have confidence with the various benchmark comparisons.

Production

One of OrchardNet's key functions is to be able to track a blocks productive performance and set targets for the year ahead. We encourage growers to use OrchardNet to plan forward as much as to look back. If you haven't done so already, we would thoroughly recommend that you enter the last two years production details for each block. The system is setup to allow you to enter the data in multiple forms: either kilos, bins, or tonnes per ha.

Once you have done this, you can benchmark your performance against all other blocks in the database. As mentioned, the databases are strong. As an example, currently we have approximately 250 blocks (739 ha) of Gala and 260 blocks (972 ha) of Pink Lady in the 2014 and 2015 databases. Once your data is in, use the “Block Analysis” and both the yearly and tree age “Production” reports to see how your blocks compare to the national and regional averages and upper quartiles.

Below you will see the Gala and Pink Lady national average production curves for the past few years.. Data in to date shows the 2016 Gala average gross yield is down slightly on 2015 at 39.6 t/ha. Average Class 1 YTD is 72% and average size 169 gms.

Pink Lady 2016 average gross yield is currently 59.0 t/ha up from 55.6 t/ha last year. Both 2016 results are still provisional as were expecting a lot more growers to enter their 2016 data now that a significant proportion of the 2016 crop has been packed.

Where do your blocks sit on these curves? Enter your data and have a look. If you're upper quartile, just keep up the good work. If you're below upper quartile, ask yourself why that is, then come up with a continual improvement strategy. It could make a huge difference to your business.

Figure 1 Gala Gross Production by Year

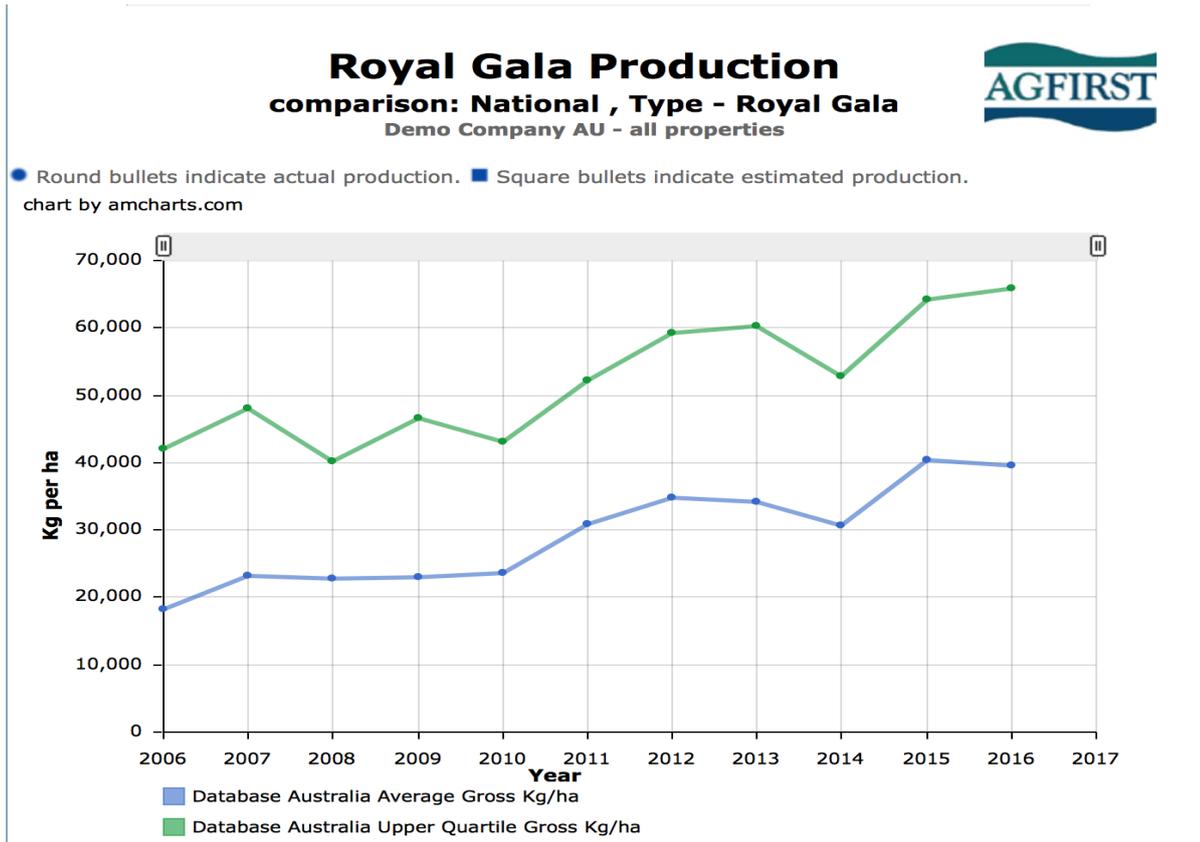
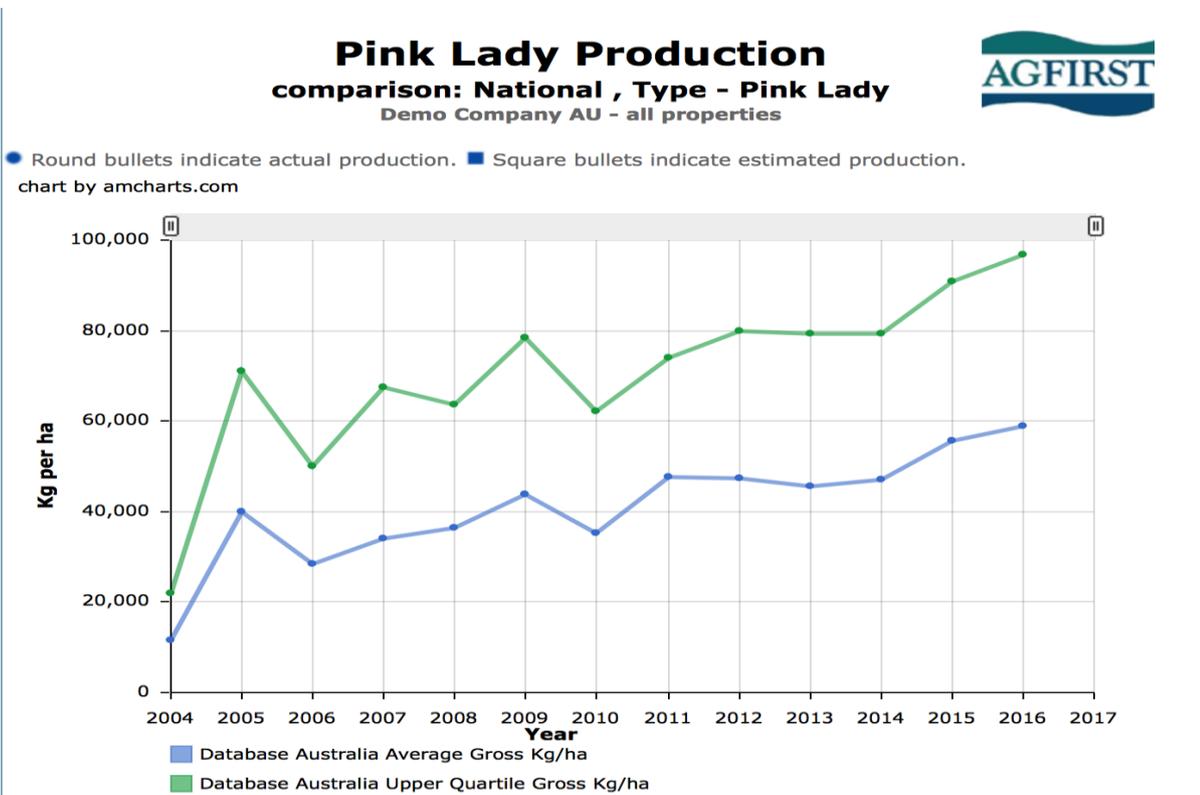


Figure 2 Pink Lady Gross production by Year



But don't stop there; use your historical data to set a 2016 "sweet spot" target for each block of trees. Then use the winter pruning and thinning reports to help you farm towards your "sweet spot" targets.

OrchardNet Upgrades

We are continually working on ways to improve OrchardNet as a tool for the fruit industry.

One of the weaknesses in the past with the 'Block Analysis report' was that we used a standard return per kg no matter what the fruit size. Recently we surveyed AU growers to determine the range in returns for different fruit size and have entered that data into the back end of the database. Now the calculation of profitability takes account of fruit size which makes the comparisons of profitability more accurate.

The returns and cost structure we use in the backend of the DB, are taken from the annual Model Orchard created as part of the Future Orchards OBA study, so you can be confident that good industry average returns and costs are being used.

Figure 3 over the page is the "Block Analysis" report for Gala for 2015. Note now, how there is a huge range of profitability at the same level of gross production.

For example, there are a number of blocks that achieved a gross crop of 70 tonne per ha , however their profitability ranges from \$30K per ha right up to \$60K per ha. So the same yield, but double the profit. How can that happen I hear you say?

The tabular data below the graph shows how the top blocks achieved a \$60K profit. With good Class 1 packout and good fruit size.

The poor profitability blocks , while they had high gross yield, had poor Class 1 recovery and poor fruit size.

**Apple 2015
Galaxy**

Australia
251 Blocks 739 ha

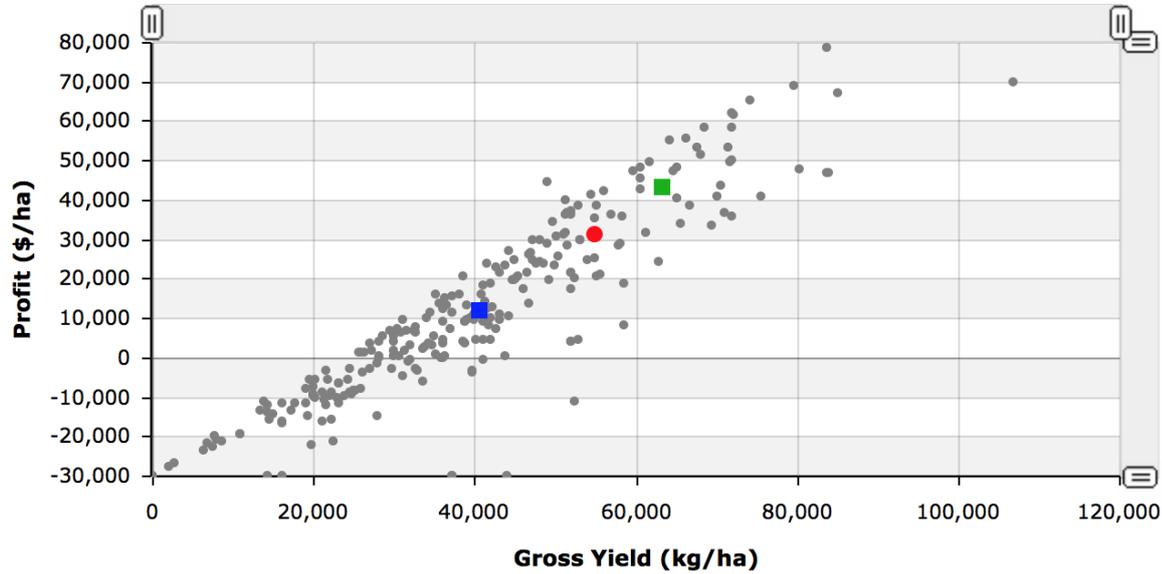
**Block Analysis Report
Demo Company AU - all properties**

ranked by: Profit per ha



Comparison: **Australia** Type - Royal Gala

Actual industry returns are not currently available for this year, so estimate values have been used



Rank	Block Name	Gross Kg per ha	Class 1 Kg per ha	Packout	Fruit Wt (g)	Income	Profit
	Upper Quartile	63,163	52,341	84%	162	\$121,950	\$43,544
	Average All	40,294	30,524	74%	166	\$72,048	\$12,312
1		83,721	75,349	90%	165	\$175,277	\$78,660
2		106,800	69,768	65%	180	\$174,897	\$69,849
3		79,667	71,700	90%	166	\$162,338	\$68,956
4		85,000	68,000	80%	155	\$162,179	\$67,261
5		74,204	66,783	90%	166	\$151,206	\$65,458
6		71,928	64,735	90%	165	\$149,077	\$61,870
7		72,170	64,952	90%	160	\$148,956	\$61,557
8		68,500	63,020	92%	155	\$143,469	\$58,559
9		72,000	61,920	86%	170	\$144,555	\$58,212
10		66,133	60,843	92%	155	\$138,512	\$55,506
11		64,283	59,140	92%	170	\$136,768	\$55,251
12		71,400	57,120	80%	165	\$137,927	\$53,426
13		67,636	60,000	89%	155	\$136,738	\$53,236
14		68,000	57,120	84%	175	\$134,305	\$51,539
15		72,000	57,600	80%	150	\$135,152	\$50,192
16		61,636	56,705	92%	155	\$129,093	\$49,705
17		71,700	57,358	80%	155	\$134,290	\$49,561

So please get involved. enter your data, benchmark yourself and then set a plan for 2017.

For help or support with OrchardNet contact either your local Front Line Advisor or Agfirst. Contact details are shown in the table below.

OrchardNet administrator (Adrian.stone@agfirst.co.nz)

or contact your local Front Line Advisor (details below)

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