

MACNUTZ GROWER COOPERATIVE – Progress Report for August 2011

MacNutZ is well on track to have full business reports ready for Board discussion and approval in October before distribution to the Survey participants (intending co-op members) in December 2011. MacNutZ has been building in momentum for some years so a few more months gathering and consolidating data will ensure all obstacles are identified and addressed before-hand. E.g. low kernel quality and low yield was seen as the most serious obstacle. This is being addressed by the Yield Data project funded by SFF. Monitoring and recording variety yield and quality will provide an incentive for growers to improve both.

Securing a processing partner, completing cash flow budgets, developing appropriate business structures and the constitution based on returned survey data; are being addressed currently and funded by both the SFF and NZTE with valued support and contributions from the NZMS and Torere Macadamias Ltd (TML).

MacNutZ Project Team and interim Board

Vanessa Hayes - Chairperson	EBOP/Gisborne/Hawkes Bay
Mark & Jacqui Harvey	BOP/Thames/Coromandel
Robert Jan	Waikato/Raglan/South Auckland
Nick King	Auckland/Warkworth
Garry & Kathleen Bartlett	Mangawhai
Bev & Duncan Worthington	Whangarei
Martyn Wells	Northland

MacNutZ regional grower clusters providing support networks and access to advice and equipment sharing within that region is still in building phase. TML operates the regional cluster model for Gisborne/EBOP growers and this will soon be duplicated gradually in other regions through MacNutZ and the Project Team.

July 2011 – Achieved

1. **\$22,000 SFF grant** to establish co-op with 3yr Yield data project to improve kernel quality.
2. **MacNutZ Grower Cooperative** name is reserved (pending constitution), interim Board appointed.
3. **\$2,500 NZTE grant** for legal and governance - to determine share classes and values to prepare the constitution, shareholder agreements, NIS supply documentation and other legal documentation necessary to meet new Financial Markets Authority (FMA) regulation.
4. **\$2,500 NZTE grant** for financial/accounting structures, business planning, cash flow budgets and 5-10yr projections based on data from returned Survey forms.
5. **Processors letter** – sent to Processors or delivered by Bev Worthington, Nick King and Vanessa Hayes to obtain processing quotes for MacNutZ.
6. **Grower Survey form** – was emailed to all NZMS members to gauge their interest in joining MacNutZ. The survey also requested details of tree numbers, ages, yields, quality, projections to 2015 and optional amounts between \$2,000 -\$5,000 as the minimum MacNutZ joining fee.

August Activities

Cliff James visit

Vanessa contracted Cliff James from Ballina Australia, 6-8th August specifically to train the MacNutZ Project Team and NZMS executive and to assist with financial and legal structures. Cliff is also a past president of the Australian Macadamia Society (AMS) and consults for several macadamia plantations in Australia and other countries. He is a Director for Sun Coast Gold and supplier to MPC – both are the world's largest macadamia co-ops. Cliff James's macadamia plantation in Ballina regularly wins AMS supply and quality awards and they recently won the AMS lowest 'Unsound Kernel' award.

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Cliff visited three orchards for one-on-one consultancy on the 6th. He was hosted by Tony Niccoll that afternoon with a visit to Kawau Island on a 'boat with wheels' and dined with most of the MacNutZ Board that evening. Cliff delivered the kernel assessment training workshop from 9-12pm on the 7th, presented the NZMS Field Day 1-5pm at Nick King's property and dined with a small group of growers that evening. Cliff attended a 4hr meeting with the Accountant on the 8th August. His expertise and contribution in discussions to establish membership structure and share classes for the constitution, was of great value.

1. **Processor results.** Three Processors expressed interest and their proposals will be presented to the next Co-Op meeting in October. One of the three includes a quote from Sun Coast Gold co-op in Gympie for shipping NIS to their factory to process and return. This quote will be re-confirmed once MacNutZ has consolidated 2012 NIS supplies. However, MacNutZ prefers to use NZ processors as coordinating storage and shipping of 20ton NIS will be a logistical challenge.
2. **Grower Survey results.** A big thank you to the first twenty growers who returned their completed Survey forms by the 1st August. Since then a few more have trickled in (thank you also) increasing grower numbers and crop volumes. \$2,000 was the most acceptable joining fee although some growers indicated they were happy to pay more to get the co-op established.
3. **Quality kernel assessment and Yield data training** held 7th August. Comprehensive check lists for the Yield Data project including kernel assessments and variety characteristics were prepared for the training workshop. The training workshop was presented by Cliff to eleven attendees.
4. **On-farm tree care management** – NZMS Field Day topic delivered onsite at Nick King's orchard by Cliff James on 7th August to a large number of growers. (Field Day report by Bev Worthington)
5. **Budget and cash flow forecasts** discussed at Accountants meeting with Cliff James and will be completed by 30 Sept once the Processor costs, grower numbers and crop yields are confirmed.
6. **Constitution and financial structure of the co-op** was discussed at length with the Accountant and Cliff James on 8th August. The draft constitution, shareholder agreements and NIS supply documentation will be completed for the Board and NZMS Executive to review at their next meeting in October.

Summary

The MacNutZ project team and NZMS Executive training workshops provided a great learning opportunity to monitor and improve their own kernel quality and yields. They will now record results from their own varieties and/or others in their region for the SFF Yield data project and share their kernel assessment knowledge with other MacNutZ members. On-going benefits from Cliff James visit include access to second-hand machinery and equipment sourced from Australia. I will be inspecting and listing a range of equipment and prices to circulate to MacNutZ members in December 2011.

If you are 'sitting on the fence' waiting to see what happens with MacNutZ, don't leave it too late because the joining fee will increase once the initial shares are fully subscribed to. A second issue of the Grower Survey form is included in the next NZMS newsletter for growers who did not receive it in July – we look forward to having you join us.

Vanessa Hayes

Chairperson – MacNutZ Grower Co-Operative