

For fresh fruit and vegetable marketing and distribution in Asia



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T&G optimistic about future

Group remain positive despite dip in revenue, confident performance will improve during second half of 2019



A diverse weather conditions, reduced volumes and lower quality were some of the challenges fruit and vegetable growers T&G dealt with during the first half of 2019.

The Pipfruit division faced the toughest operating conditions as a mild winter led to harvested apple volumes and apple sizes being smaller than anticipated.

Average prices in the domestic market were lower, seeing a NZ\$20.9m (US\$13.5m) decrease in revenue from NZ\$581.7m to NZ\$560.8m.

The Group's controlled apple varieties Envy and Jazz priced well, helping to alleviate the poor start.

Overall revenue decreased by NZ\$31.0m (US\$20m), and with the resulting lower gross profit, the

Pipfruit division recorded a decrease in operating profit of NZ\$1.7m for the six months ending 30 June 2019, when compared with the same period in 2018.

T&G's International Produce division recorded a NZ\$177m (US\$11.4m) improvement in revenue over the first six months of the year, from NZ\$126.7m in 2018 to NZ\$144.4m in 2019.

Produce exported from Australia, in particular grapes, was a driving force behind the improvement. Good results were recorded across the Australian domestic market, particularly in citrus and berry sales and a strong plum programme benefited its division.

Its domestic New Zealand produce division decreased by NZ\$6.6m over the first six months compared to 2018. The divestment of the Northland kiwifruit business during the 2018

financial year reduced the volume of kiwifruit available to market in 2019, as anticipated.

The mild winter conditions and unusually low prices on several key products, including tomatoes and most green vegetables, also had an impact on revenue.

Despite the challenging start to the 2019 financial year, T&G are optimistic heading into the second half of the year. The group aims to continue focussing on recycling non-core assets, investing in the growth of apple varieties Envy and Jazz, and developing new vertically integrated categories to meet the demands of the global market.