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By Liam O�Callaghan

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Scales steady through Covid-19

Record export volumes for Mr Apple as diversified agriculture group reports slightly lower year-on-year 1H results

Scales, parent company of New Zealand apple grower-packer-exporter Mr Apple, has announced “strong” results for the first half of 2020 (1H20), with Mr Apple setting record export volumes of 3.9m TCEs.

The New Zealand-based diversified agriculture group said in a release this was “a solid result during the midst of a global pandemic”.

For 1H20, Scales reported an underlying Net Profit After Tax (NPAT) of NZ$29.2m (US$19.67) compared to NZ$30.1m in 1H19. It also reported an underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of NZ$44.4m (US$30.25m) compared to NZ$47.3m in 1H19.

The positive evaluation of the results considers the effects Covid-19 had on the company’s operations, which Tim Goodacre, chair of Scales noted.

“Trading throughout the Covid-19 lockdown was not without its challenges. However, the continuity of the business and the ensuing results were made possible by strong leadership together with the courage and hard work of team members,” Goodacre said.

“Whilst the divisional mix of our earnings differs from prior years, the diversified geographical and operational nature of our business, together with our vertically integrated business structure, undoubtedly assisted us to achieve the returns noted.”

In its horticultural division, which features Mr Apple, Andy Borland, managing director of Scales, said a strong season featuring a record-equalling crop of 5.1m TCEs and record export volumes of 3.9m TCEs was also affected by the pandemic.

“Covid-19 lockdowns occurred during the peak harvest and production period for the horticulture division. Whilst we maintained strong sales into our European markets, sales to Asia and near markets were unfortunately adversely affected by changes in logistics and customer purchasing patterns,” Borland said.

“As a result, a lower percentage of crop was sold by 30 June 2020 compared to previous years and we experienced price pressure in Asia markets in particular. However, we believe our strategy to operate in diversified geographical markets with a range of both premium and traditional apple varieties provided us with a strong base to deliver the current period result.”

http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts

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