

Olivegrower & processor



Co-ops: strength in numbers

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Growing and selling their olives together has been a satisfying – and successful – enterprise for Koru Olives co-operative members (from left) Julie Mays, Beth Raines and Anne Marshall.



David and Isabella Sullivan at the co-op's Matakana farmers market stall, where their EVOO is popular among both locals and tourists.

Strength in numbers

We make great olive oil in this part of the world but our high labour and equipment costs make it hard for the average small grower to run a viable olive business. Joining forces via a co-operative can provide huge benefits but it's not a model which suits everyone. Olivegrower spoke with members of two successful New Zealand co-operatives about how – and why – theirs work so well.

Koru Olives

Koru Olives is a collaboration of three Northland grove owners, Julie Mays of Oliven am Meer, Beth Raines of Manu Korihi and Anne Marshall of Strathview Olives. A co-operative in the fullest sense, the three harvest together, process together and market the oil under one label. The bulk of their sales are through their stand at the local farmers market, which they staff between themselves on a roster basis.

How it began

The three groves were originally part of an estate of 40 groves, all planted in 2001 by a production company and sold to individual owners. All the oil was pressed by and sold to the company, so when it ceased operating several years ago, the growers had to find another avenue for selling their oil.

“So the three of us had known each other for some time, and that friendship then developed into growing and selling our olives together” Julie said.

“We were four originally, and were selling our oil once a month to the local community through a building centre. They'd let us use their premises and we'd set up just outside their front door.

“Then we heard there was a new purpose-built market starting in Kerikeri, about 70kms from where we are, so we applied for a stall. It's called the Old Packhouse Market and runs every Saturday morning. It's an indoor/outdoor market, and we were lucky to get an inside stall.

“That was in October last year, so just less than a year now, and it's been very worthwhile. It's a wonderful market.”

How it works

The women describe Koru Olives as “a very loose co-operative”, based on open discussion and practical decision-making.

“We don't have rules and regulations. We just do what needs to be done between us. We sit down, we discuss and to date we've managed to all agree,” they said.

“We speak pretty openly: get it out there, say what we think and find a solution. You have to listen to everyone's point of view – but not too many. Often there are too many people in co-operatives, with diverse opinions, and you can never get everyone to agree.”

The women believe three is the ideal number – for their co-op, at least.

“The beauty of having the three of us is that we have two of us working two Saturdays in a row and then you have the third off, so you're not having to do every single week. And if you want to go away, we're covered there,” Julie said.

“We share some other things too, and have individual roles as well. We get together and bottle the oil, and we label together. Then Anne keeps a stock of the bottles, let's us know when we need to order more, and packs the oil up ready for the market each week, while Beth makes olive leaf tea and I make olive oil soap. We also send our oil to a woman who makes olive oil creams for us, and we're introducing our olive oil in special packaging for dog health.”

One of their biggest tasks, however, is producing their lemon agrumato oil – a winning product in every respect.

“That's probably our biggest seller. There's a bit of competition out there but a lot of people like ours better, and at the Auckland Easter Show last year we got Class Champion. It now takes at least half our oil because we sell so much. We're not sure what it is, but it's a good thing.

“We also got a Silver for our EVOO from Olives NZ last year, which was very important to us.”



Koru Olives is a truly hands-on co-operative, with neighbours and friends gathering to cut lemons for their flagship Agrumato Olive Oil. Catching up over the task this year were (clockwise from left): Jan Jones, Sarah Wale, Marcia McScorley and Julie Mays.

The benefits

The Koru women believe their shared business provides them with a multitude of benefits.

“One is that it gives you a focus about your olives and your olive products, far more than before. We have to look at other markets, and whether we can improve,” they said.

“It’s also good meeting with other people – especially when everyone’s on the same wavelength.

“Then there’s the satisfaction of a job well done and people liking our products. It’s very rewarding at the markets where people are coming back a second, third and fourth time, and we all get to know each other.”

The bottom line

So has it worked for the various members, both financially and in terms of time/effort, compared with operating as individual producers?

“Definitely. The cost of each one of us doing the whole process would be much greater – and we’d be competing against each other too. It’s much nicer to be working together and sharing the costs. And we do have a little bit of financial gain, which is always satisfying,” they said.

“We’ve also had a lot of help from Olives New Zealand, who provide merchandise such as calendars, health benefits cards etc for their members. Being able to buy those has kept the costs down for us, and meant that we can afford to provide our customers with these extras.

“We made the Christmas cake from the calendar last year, took it to the market and gave tastings out to try. People appreciate those sorts of things – and then they realise you can make it with olive oil, so buy more. It’s really worked for us.”



Matakana members Clive Harrison and Michael Mann take their turn on the co-op’s bottling machine.

Is it for everyone?

The women said they’d definitely recommend co-ops to other small growers, but with some provisos.

“Do it, but choose carefully who you’re going to be working with. And keep it small. I think if your co-op gets too big you lose control of it,” Julie said.

“With EVOO, it’s important to get your oil processed together, so there’s a standard and a consistent quality of product.

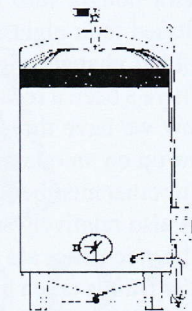
“And I think the fact that there’s only three of us helps with sales too. Our customers enjoy coming and always seeing one of the three of us there.

“When we first started we did wonder how we’d get on with it but the social benefits have really made a difference – we really enjoy it. We have complete trust in each other and we know we’re on the same wavelength.”

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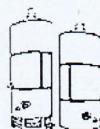
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The Matakana co-op recently built a shed on one of the properties, providing a central point for oil storage, bottling and packaging.

Matakana Olive Co-operative

The Matakana Olive Co-operative works on a slightly different basis, harvesting individually and then combining their oils for sale as under the one label. Like Koru Olives, they have a roster for their local farmers market, which remains an important local sales outlet.

How it began

The co-operative was formed in 2005 by a group of 14 semi-retired lifestyle growers. It was a point-of-sale grouping only, with each grower independently managing their crop: all members had individual properties and harvested individually but all olives were processed at the same point.

This led, said current member Michael Mann, to “some pretty interesting dynamics”.

“People came and went, sold their properties, and pulled out. When we joined five years ago there were 12 active members and now there are six,” Mann said.

“It was set up was because there were a lot of olives being grown in the area and it was good to have a single selling point. The members all took what they wanted for their own use and the rest became co-op oil.”

How it works

Mann bought into the co-op when he and his wife, Sally, purchased their eight acre grove from an original member, and said it has changed significantly since then.

“There’s been a recalibration, a bit of a changing of the guard, so now we have three directors who deal with the running of the co-op on an operational basis.

“The other members all contribute and it’s pretty collaborative, as it’s also relatively small now.

“The mechanics are the same though: we harvest by ourselves and the fruit is taken to the same processor. He tells us what our individual weight is, and the oil yield, and how many litres of J5, Leccino or whatever you produced is recorded under your name. We say how much we want for ourselves and the rest of it becomes co-op oil. It then gets sold by the co-op and you get paid for your percentage of the total.”

Much of those sales have been via the local farmers market, however Mann said that’s changing now.

“On a Saturday morning the farmers market gets busloads of tourists, so we run our stall there on a roster basis. But we also sell through other local outlets and we supply a number of local restaurants with bulk oil. In recent times we have expanded the

sales, now going further afield with supplying restaurants and building on that side of things.

“But we produce 2000-3000 litres a year and therefore remain a boutique operation. We don’t market our product through supermarkets; our market is the more premium food outlets and independent operators.”

Mann said the decision to use an independent processor is also an important one in terms of quality.

“It ensures that the quality of each oil is independently evaluated, and it’s also more economical than the co-op having all that money tied up in machinery. Then together we manage the storage, bottling and distribution and work, keeping it low-key and focused on ensuring we deliver a quality product.

There have also been other changes.

“We’re starting to look after ourselves a bit more in terms of storage. We used to have a facility at the processing plant where we could store our oil but we now have purpose-built shed on one of the properties. It’s a central point where everyone’s processed oil comes back to, and we all go there and do bottling,” Mann said.

“We also do get together and harvest on some properties now.

“But it’s all very relaxed. We wanted to make it more of a co-operative co-operative: we don’t have too many official meetings, we just get together when we do our bottling etc, and a few of us decide what we’re going to do and pass that info on. With smaller numbers it’s easier to communicate but we’ve still got the support of each other.

“And while David and I are in our mid-50s, the other guys are all seriously retired – late 60s, 70s – so they don’t want to organise any more. They’re happy to contribute by being there for bottling, maintenance on the machines, fill in at the market etc – and they’re happy to leave running the co-op to a smaller group. Because we’re all on the same page, we all seem to agree anyway.”

Teething pains

Mann said, based on prior co-op records, there were definitely issues along the way but that the current grouping works incredibly well.

“I suppose it could be encapsulated in that there were different ideas in what should be done. Sometimes that led to tense discussion and on some occasions people left the co-op because there couldn’t be agreement,” he said.

“So the first five years were a teething process and now

it's settled: everyone's on the same page. We've won lots of national awards and our focus is making really good olive oil, rather than making huge amounts of money.

"Possibly the only thing we still need to deal with is that we sell our oil slightly cheaply but we'll address that over the next few years. We're in the process of re-jigging things and price point will be a part of that."

The benefits

Mann said that from his own perspective, the interaction with other growers is the best part of being in a co-op.

"I got involved knowing nothing and have had great mentoring," he said.

"When we got the property there was quite a bit of rectification needed and I've done all that - with help. I was a full time lawyer until the beginning of this year and I initially butchered the trees when I pruned them, and then one of the others came in and helped me learn to do it properly.

"The older guys will never push themselves in front of you and tell you what you need to do but they'll dash around if you ask. It's really nice."

Then there are the structural benefits.

"You have a certainty in terms of processing costs and systems. You've also got a brand, which is really, really important - and it's a good brand. Now that we've recalibrated we're moving away from being a group of guys just doing it and we're moving the marketing along, now that we've got our common goals identified.

“ Choose carefully who you're going to be working with. And keep it small. ”

– Koru Olives

"Another is that we've all got different strengths. One member is the CFO of large company, I'm a lawyer/administrator and Murray, the other director, had a career in horticulture. Another member, Isabella, drives our marketing and sales - pretty well on a full-time basis, Clive runs our books and accounts, and the other members all have experience that make things tick over really well.

“ The first five years were a teething process. Now it's settled: everyone's on the same page. ”

– Matakana Olive Co-op

Those varied skills are really valuable, and our different personalities make meetings robust and a lot of fun.

The bottom line

So does the co-op model also work, both financially and in terms of time/effort, for Matakana's various members?

"Yes," Mann said, emphasising that that is due to the 'fit' of the current members.

"It does because of the way we've set it up. For example, there are a couple of our people who have no oil for the co-op this year. That just means we rely on other growers' oil production, which helps smooth out the seasons and ensures we have oil for sale. Growers who may not have oil in any one year don't have to leave the co-op, and the brand that they sell through will still be there next year. Our constitution provides for that.

"That said, the profit distribution cycle wouldn't work for anyone who wanted a regular monthly income. Luckily we're all set up to work with that, and it means that all of the costs are covered as the sales come in, before any money goes out."

Mann said he'd also recommend the co-operative model to other small growers - again, with provisos.

"Absolutely, but they have to have a clearly defined system: consensus as to why they're doing what they're doing and a good constitution that can be relied on when the going gets bad," he said.

"When everything's good it's fine but when you get someone who wants to do things differently than the others do, there's got to be a set of rules which enables issues to be addressed in a fair and equitable manner, and a process which enables matters to be resolved not just hang in limbo. And it's got to be clear and unambiguous. We see it as a collective, not a business."

More information:

www.matakanaolivecoop.co.nz;

www.theoldpackhousemarket.co.nz.

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