



Luv'ya APPLES

THERE MUST BE A BETTER WAY:

We are Heartland Fruit NZ Ltd, a group of second and third generation apple growers based in Nelson, New Zealand. We came together in 1993 (then as Group-8 Horticulture) because we shared a belief that there had to be a way to consistently deliver better apples and a great eating experience to the apple lovers of this world.

We combined our 500 years of experience to create the Integrated Quality (I.Q.) Process which allows us to control every single step of an apple's life right from the planting stage, through to the customer's purchase. This level of attention to detail and quality is unusual in today's market – but we adhere to the I.Q. Process for three very simple reasons: Firstly, the personal desire we each have to do things right. Secondly, because we believe customers ultimately recognise true value. And thirdly, **we love apples**. That's why you'll find our apples carrying the Luv'ya brand name.

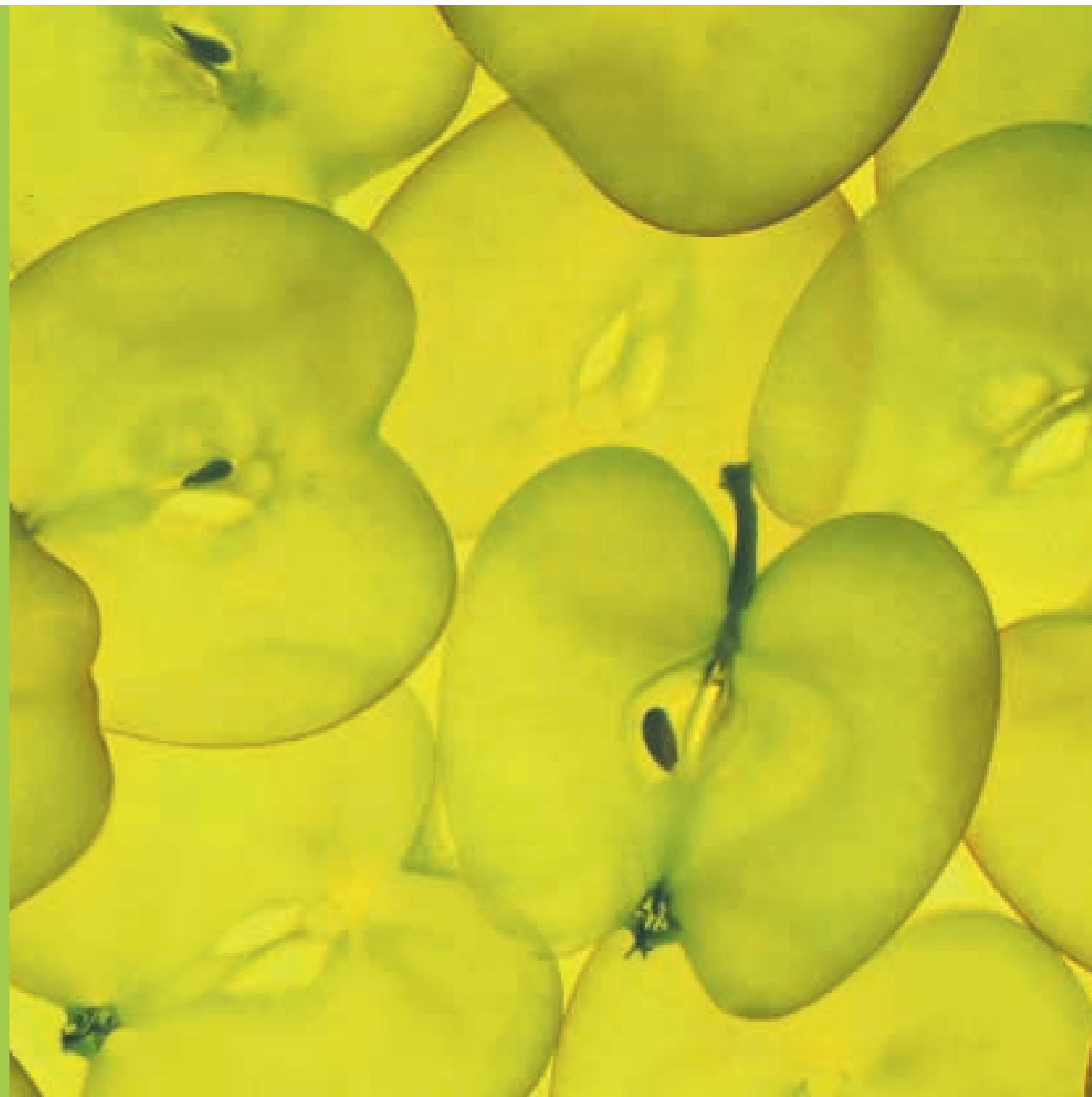
THE I.Q. PROCESS: The Integrated Quality Process

Some years ago we believed the apple category worldwide to be in trouble. Consumers, tired of receiving soft old apples, were turning away. Eating quality was inconsistent because decisions along the delivery chain were made for the wrong reasons. Logistic decisions were driven by market prices, apple sizes,

quotas, shipping schedules, or the sheer fashionableness of a variety with resultant poor harvest regimes.

Heartland growers went back to basics. We had a desire to deliver great crisp juicy eating apples every time. That means all our decisions are based purely on what is best for the apple and our customers.

Unusually in this business, we own our own orchards, pack houses and marketing company – which affords us control and traceability from start to finish. It has allowed us to implement our rigorous I.Q. Process, which has seven separate yet integrated stages. It is only by following the I.Q. Process that we can be confident of delivering consistently delicious Luv'ya apples to our customers.



IQ PROCESS



1. The Perfect Growing Conditions



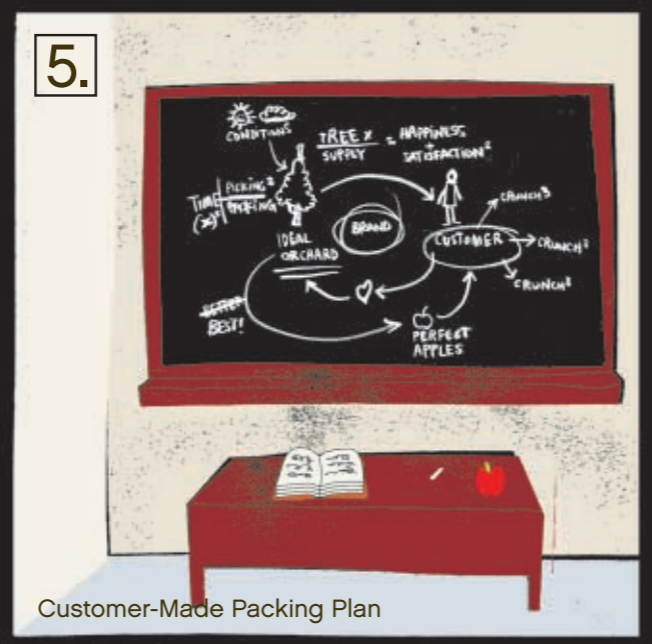
2. Pioneering Varieties and Plantings



3. Architecturally Designed Orchards



4. Harvesting for Quality



5. Customer-Made Packing Plan



6. Fruit Focused Logistics



7. Customer Philosophy That Fits

Luv'ya I.Q.PROCESS

1. The Perfect Growing Conditions

One of the sunniest places in New Zealand, Nelson has been a centre for apple growing since 1913. It has a unique maritime microclimate, surrounded by hills and sheltered from adverse weather by mountains on three sides, and the sea on the fourth, which creates a warming influence in winter and a cooling one in summer. Days are long with the average number of sun-hours a year 2400+, the average summer temperature 24°C and the average rainfall 980mm. The high sunlight hours and cool nights are perfect for healthy cell growth and division, good respiration and for optimising the conversion of sunlight to produce natural sugars and crisp, juicy, sweet fruit, full of flavour.

2. Pioneering Varieties and Plantings

Heartland leads the New Zealand industry in pioneering new rootstocks and varieties. We were the first group to plant Manchurian crab apples as pollinators and to commercially use dwarf rootstocks. One of our group developed the Red Braeburn – Eve, which is now a well accepted variety in many markets around the world and our group is at the forefront of developing Tentation and the Pacific series in New Zealand. As a company we believe that an innovative attitude helps provide solutions for customers, and gives both ourselves and our customers the edge over competitors. We are heavily involved with new variety development in New Zealand and are currently trialing a number of new varieties in conjunction with HortResearch.

3. Architecturally Designed Orchards

Because we set out to grow apples thinking solely of the eating quality and the end consumer, (as opposed to employing a more common production mentality, focussed on volume and logistic drivers) our orchards tend to be designed differently. Our focus is on distributing light to all parts of the tree as efficiently as possible. The right rootstock, nutrition, minerals and trace elements are calculated and trees are spaced and shaped according to maximum light interception to produce apples of better flavour and texture (trees too closely planted or shaded, will produce soft, flavourless apples). We employ expert consultants and hold regular group discussions among the Heartland growers, in order to compare our orchard plans and performances and to exchange our observations and learnings.

4. Harvesting for Quality

90% of eating quality is determined at the orchard. At harvest time we use scientific data, experience and consultant advice to determine the absolute perfect picking time – we're always looking for that 'crunch!' Each individual apple is picked on its merit on any given day rather than purely stripping a tree of all its fruit. Multi picking carries an enormous cost to us, but the end result is that the fruit will be consistent in its maturity at market.

Many of our pickers are locals who return year after year and understand the quality process. They understand why we are fanatical about cooling the fruit quickly and that rapid removal of field heat equals extended shelf life for our customers in the market.

5. Customer-Made Packing Plan

Our fruit is categorised on the orchard 6 months before harvest and tracked all the way to market. Customers supply their specifications and we identify fruit suitable for them at the orchard where it is tagged and grown, harvested, and placed into inventory with that customer in mind. Through our ownership of the packing houses, we are able to control the packing, match tagged fruit to the customer specification and pack accordingly. From our packhouses, fruit is shipped in containers to customers direct.

Customer feedback determines what is done on orchards from one year to the next and customers can be sure the same group of orchards that supplied them one year will do it again the next.

6. Fruit Focussed Logistics

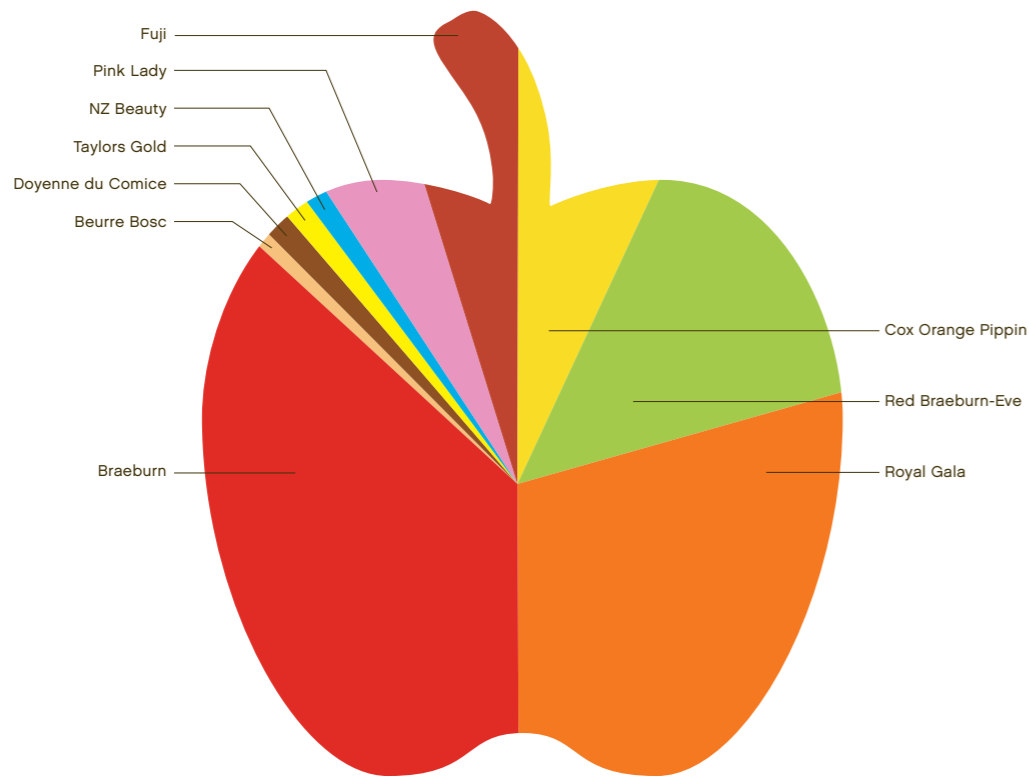
The needs of the fruit drive the logistics chain – not the reverse. The aim is to deliver a piece of fruit as good as the day it was harvested. Our fruit is shipped direct to market from our coolstores. Our quality consultant, Roy McCormick, based in Europe, reports back regularly on fruit received in the UK and European markets. Additionally he uses market information to provide direct feedback to our Heartland growers, so that they can alter orchard practices accordingly. We also have feedback from the USA through quality monitoring agencies appointed by our receivers. In New Zealand, 15% of the Heartland crop is for local consumption. This allows our growers to personally buy and assess the quality of Luv'ya apples under identical conditions to those in which our customers do year round.

7. Customer Philosophy That Fits

The ideal customer for Heartland Fruit, is one that shares the same values as us. We enjoy working with people who regard relationship as important and recognise and appreciate a job well done. We want to establish long-term relationships with buyers and retailers who would class quality as their driver and competitive advantage. Heartland Fruit's goal is not to be the biggest, but to develop a reputation for quality second to none.

Luv'ya APPLES (AND PEARS)

VARIETY MIX



The supply base for Heartland Fruit NZ Ltd is out of Nelson. The supply group has a range of commercially desired apple varieties including Braeburn,

Cox Orange Pippin, Fuji, NZ Beauty, Red Braeburn – Eve, Pink Lady, Royal Gala and the pear varieties Beurre Bosc, Taylors Gold and Doyenne du Comice.

The group uses two pack houses Compass Fruit Packhouse and Hoddy's Orchard Packhouse for all its fruit packing requirements. Both are owned and operated by Heartland partners.

Luv'ya APPLES

FROM HEARTLAND FRUIT

Heartland Fruit New Zealand Ltd is owned by five grower/orchards:

Alandale Orchards Ltd

(J&N McCliskie),

Easton Apples Ltd (D Easton),

Vailima Orchards (R Hoddy),

Hoddys Orchard Ltd (M Hoddy),

Mahau Orchard (M Thompson)

The partners have excellent reputations in the industry for their knowledge, growing abilities, innovative outlook and commitment to the future of the industry. All are involved beyond the call of the average orchardist. All have travelled to every major market and apple

growing region in the world in the past few years, and will continue to travel regularly. All Heartland owners are also actively involved in a grower group committed to improving crop harvest and management techniques. The group members have held various directorships in fruit related associations and companies including Fruit Logistics Nelson, Compass Fruit, Nelson Fruitgrowers Association and the Nelson Fruitgrowers Advisory Committee. **John McCliskie** served on the ENZA board for 20 years, the last 12 as Chairman.

General Manager of Marketing and Operations, **Ken Tippler** has worked in the industry since 1987, involved in quality management and most recently as a fruit marketer on the east coast of the USA.

Our European based consultant, **Roy McCormick** is an integral part of the operation and serves a vital link from the tree to the final consumer. He has worked with Heartland Growers and as a principal for Group 8 since 1993.

Food safety is paramount to us. We are accredited to Eurepgap and the British Retail Consortium Technical Standard.

Luv'ya 

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