



Tegel reinvests in New Zealand on the back of export success

By Steve Best

Andrew Stevens, Tegel's chief executive and Prime Minister John Key inspect the line at Tegel's Henderson plant

Continued export growth for its value-added chicken products prompted Tegel's \$20 million investment in building, plant and processing equipment at its Henderson plant in Auckland.

Officially opened by prime minister John Key last month, the plant will not only boost production but has resulted in 300 new jobs throughout the company. Of

that number 160 jobs have been created at Henderson with the remaining 140 made up of more staff in warehousing, sales, administration and farming.

Tegel chief executive Andrew Stevens says the \$20 million upgrade includes a combination of \$10 million in building works and \$10 million for new processing equipment such as ovens, formers, fryers and packaging machinery, as well as a

product development facility dedicated to the creation of new products.

The plant will now process over 350 tonnes of chicken per week and 75 percent of that is headed off-shore to Australia, Japan and Hong Kong. The company expects to realise sales of over \$100 million in the next 12 months from the Henderson plant alone and Mr Stevens says the sizable investment to increase

production is only possible because of the scale of Tegel's exports.

"You can't build to that scale to service New Zealand alone," he says. "There is a lot more growth in Australia for us and in the last six months we've begun exporting to Japan and Hong Kong." Mr Stevens says that Tegel's export success is due to a

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DISCOVER AND DELIVER

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Compostable label adds to Zespri's sustainable vision



Next season Zespri will introduce the world's first and only fully compostable fruit labels on all Zespri® organic kiwifruit.

This initiative is part of Zespri's leadership role and ongoing commitment to improving the environmental credentials of its products, says Glen Arrowsmith, Zespri's global marketing manager – organic.

“Our international customers – retailers, wholesalers, consumers, governments – are increasingly interested in the sustainability of products arriving in their markets and we've invested in research and development to continue to lead the

market in this area.”

Zespri has worked closely with US based label manufacturer Sinclair Systems for the past four years to overcome the significant technical challenges involved. This launch builds on a large-scale trial this year of five million of the compostable labels on Zespri organic fruit sold across Europe, North America and some Asian markets.

“Making a premium Zespri brand label

stick to hairy kiwifruit skin, hold together under the high humidity and cold temperatures in storage, and then break down reasonably quickly when thrown out with the fruit skin – it was a big challenge but we've done it.

“The large scale label trial we ran this year showed the compostable labels could be applied at speed in the packhouse and performed well through the supply chain to the retailers around the world which

stock our fruit,” says Mr Arrowsmith.

Manufacturer Sinclair tested the degradability of the labels to international ASTM standards (American Society for Testing and Materials) and found they degraded within 22 weeks with less than ten percent of the original dry matter remaining – well within the agreed specifications, with home compost trials to follow. The labels meet all relevant food safety regulations for direct food contact in the markets in which Zespri operates.

“We are extremely happy with the capability this compostable label brings to Zespri and the alternatives it represents to their customers. Sinclair continues to focus on new ways to provide value for the industry. Zespri's collaboration in this project was key in bringing this initiative to fruition,” says Bill Hallier, Sinclair's chief executive.

Zespri's standard labels are made of polyethylene and – like all Zespri packaging materials – are 100 percent recyclable.

“We believe our current labels are also environmentally responsible. Our customers can stick them on a drink bottle or any other PET (polyethylene terephthalate) product and put them out in the recycling,” says Mr Arrowsmith.

Through its partnership with Sinclair and investment in R&D, Zespri will lead the world with the first kiwifruit to have a compostable label. “We're sure other fruit marketers will also be keen to use this new environmentally friendly technology in the future,” says Mr Arrowsmith.

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combination of factors. “Primarily, we've gone out and tried very hard. We're a large scale chicken producer and farmer – with highly sophisticated processing capabilities and extremely robust food safety. It's expensive to export but we have the skills to do it and we also turn over \$450 million in New Zealand a year.

“We also have the experience in dealing with large scale global companies in New Zealand and that allows us to deal with them overseas. If you meet standards here then you can meet them anywhere. We're also helped in this country by a very good rule of law and an educated workforce.

“New Zealand's strict bio-security controls and food safety regulations have earned us a reputation for producing the world's safest chicken and that, in turn, has boosted orders globally for Tegel products.

“New Zealand is unique in the world in being free from all the major chicken diseases. Our geographic isolation and strict biosecurity controls keep New Zealand chickens the healthiest in the world, Mr Stevens” says.

While he admits many in the manufacturing sector are still struggling due to challenging issues, Mr Stevens is optimistic that Tegel's hard work and forward planning will continue reaping dividends and more export orders.

“We're not the cheapest but we're highly competitive where quality matters,” he says. “You have to find a place where you can be competitive and do it very well and we are very good producers and farmers of chicken in New Zealand.

“We are already a major contributor to the local and national economy and are anticipating considerable further growth



New Zealand's strict bio-security controls and food safety regulations have earned us a reputation for producing the world's safest chicken

in the next two to three years, which will bring in millions of dollars to New Zealand.”

The new third processing line at the Henderson plant will produce value-added

chicken for specific customers, many of them quick service restaurants (QSRs), as well as Tegel's Tempura Battered Nuggets, Take Outs & Cuisine ranges.