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ISSUE 3 | July 2019
NEWS FROM
UNITED FLOWER GROWERS

After nearly 40 years using our D.O.S based ERP (Enterprise Resource Planning) system called OPIX, UFG will be implementing a massive change in late 2019 when we activate a new cloud-based ERP system called NetSuite.

NetSuite is a mid-market cloud-based ERP system, built for growing and scaling organisations. NetSuite is the #1 ERP system internationally that combines ERP, CRM, and eCommerce in a single, fully unified SaaS solution that connects businesses across finance, sales, service, fulfilment and manufacturing.

As many longtime suppliers and buyers are aware, UFG has operated under the OPIX since the 1980s. Obviously it's time for a change to a more advanced and modern program. (OPIX was developed before the internet was launched!!)

This new system will provide for a more streamlined and efficient information resource, where we can greatly expand our accessibility to data for both our suppliers and buyers. The change over to the new ERP will occur over from late 2019 and into 2020, as we slowly transition to the new database.

In conjunction with this will be the launch of the newly updated auction software database AS4. NetSuite's ERP software was not designed to operate an auction, so UFG has had to significantly invest in the re-development and enhancement of the original AS2 program.

Please keep an eye out for further communications about the upcoming changes that will effect how our suppliers code their products for auction.



WEBSITE | Grower Dashboard Updates

Growers, have you used our website lately?

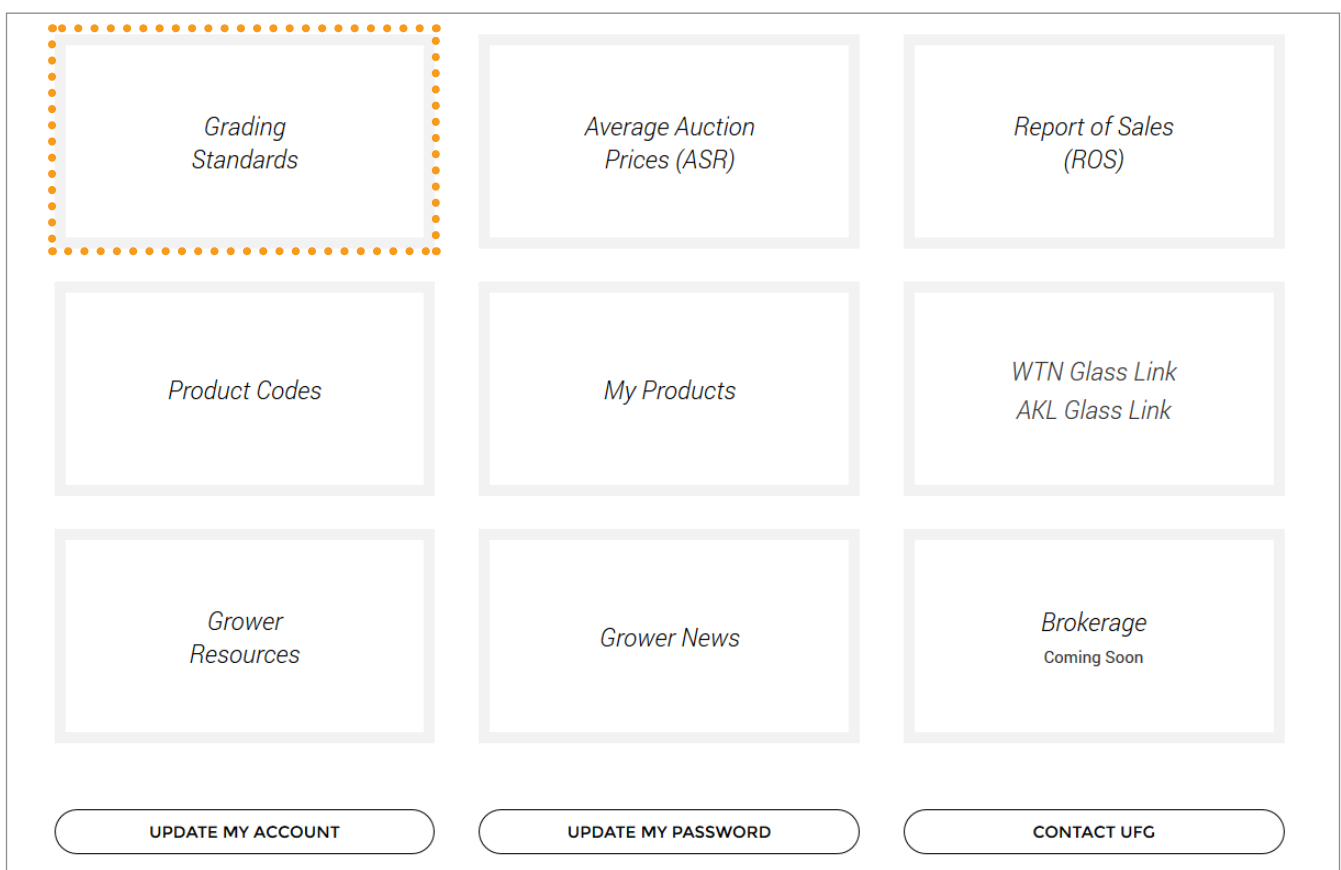
We have been busy updating your online grower dashboard to include new features that will make it easier to send product to auction under the correct grading and codes.

Product grading on auction is extremely important as our auction buyers should receive consistent stem length, stem count and quality of their purchases year-round at any of our auction sites nationally. While we have seen an improvement across consistency of product standards and stem counts, there is still room for improvement.

Correct product grading is an important step, especially for our growing Cloud Auction Buyers who rely on displayed data for their purchasing. As we look to expand our Cloud Auction further throughout the South Island, our Cloud buyers need to have correct and consistent grading when purchasing online, to ensure they are purchasing the correct products. This places trust in the grower's products they are investing in.

Using the correct product code is equally as important so both our house and cloud auction buyers have confidence in what they are buying is what's listed on the clock. Product Codes and Grading Standards can be found on our website under your Grower Dashboard.

If you have any issues locating or finding any codes/grading standards, please pass this onto your auction manager. If it is supposed to be GRADE ONE then make sure it is GRADE ONE remember a little bit of bad is NOT ok.



Globalization and the expansion of international trade routes has seen a steady increase in the export of cut-flowers all across the world. As flowers are so perishable, historically they have been produced and cultivated near the main consumer. However, there is an increasing trend of flower production moving to countries with more favourable climates for flower cultivation than NZ and/or lower labour costs.

Below are the 15 countries that exported the highest dollar value (in USD) worth of cut-flowers during 2018.

Netherlands: \$4.5 billion (48.2% of exported cut-flowers)

Colombia: \$1.5 billion (15.6%)

Ecuador: \$851.9 million (9.1%)

Kenya: \$750.7 million (8%)

Ethiopia: \$212 million (2.3%)

Belgium: \$150.2 million (1.6%)

Malaysia: \$116.2 million (1.2%)

Italy: \$112 million (1.2%)

China: \$108.2 million (1.2%)

Thailand: \$77.8 million (0.8%)

Belarus: \$71 million (0.8%)

Germany: \$68.3 million (0.7%)

Canada: \$62.2 million (0.7%)

Spain: \$54 million (0.6%)

South Africa: \$53.1 million (0.6%)

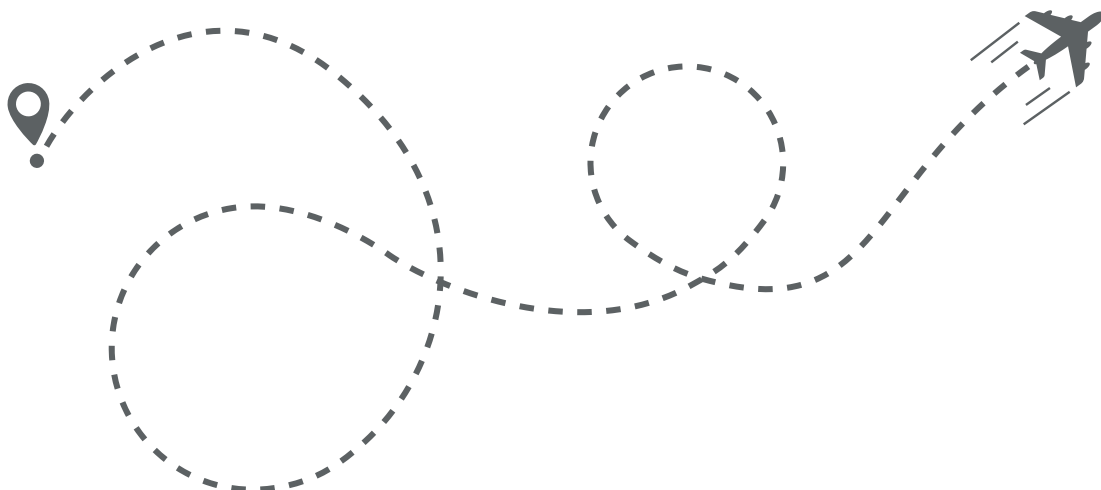
By value, the listed 15 countries shipped 92.7% of all cut-flowers exported in 2018.

Among the top exporters, the fastest-growing cut flowers exporters since 2014 were: Belarus (up 4,214%), South Africa (up 60.3%), Kenya (up 35.6%) and Canada (up 33.2%).

UFG recognises the importance that our customers **must** be able to easily identify domestic versus imported product.

We also believe that is important that our customers are able to make informed choices when purchasing their cut flowers or foliage. To this end, **Country of Origin Labeling (CoOL)** is now placed on **all imported products** sold through United Flower Growers trading departments.

If you have any questions about our new CoOL labelling policy, please speak with your local trading department.



As digital marketing platforms continue to grow and consumers rely more heavily on social media, SEO (Search Engine Optimisation) and other online tools to support buying habits and decisions, it's a timely reminder that digital marketing in various forms is a key part of any modern business approach.

Digital Marketing encompasses all marketing efforts that use an electronic device or internet. Modern businesses should be leveraging digital channels, such as social media websites, search engines, EDM (Electronic Digital Marketing) and websites, to connect and engage with current and prospective customers.

Over the Valentine's Day and Mother's Day period, social media platforms such as Instagram and Facebook, spiked in advertising, paid and organically directed related to selling/endorsing Valentine's Day and Mother's Day gift ideas. With future generations shifting towards a 'self-absorbed' consumer decision making model, buying patterns now reflect a more heavily influenced marketplace. Social media and lifestyle influencers are becoming more and more popular, with consumers being swayed by their buying habits and recommendations. Social media plays a massive role in the tale of self-portrayal online to friends and strangers.

Keeping active across your social media platforms with engaging and quality content is key to keeping relevant. It can be as easy as uploading a few stories per week to your Instagram account.

Visual content is very effective, especially given the beautiful and artistic content of the floral industry. Updated business contact information on your website and Google is also important – people will search for your business after engaging on social media platforms to ensure legitimacy and reviews.

Flowers are a visual product, keep this in mind. Do not underestimate the power of social media.



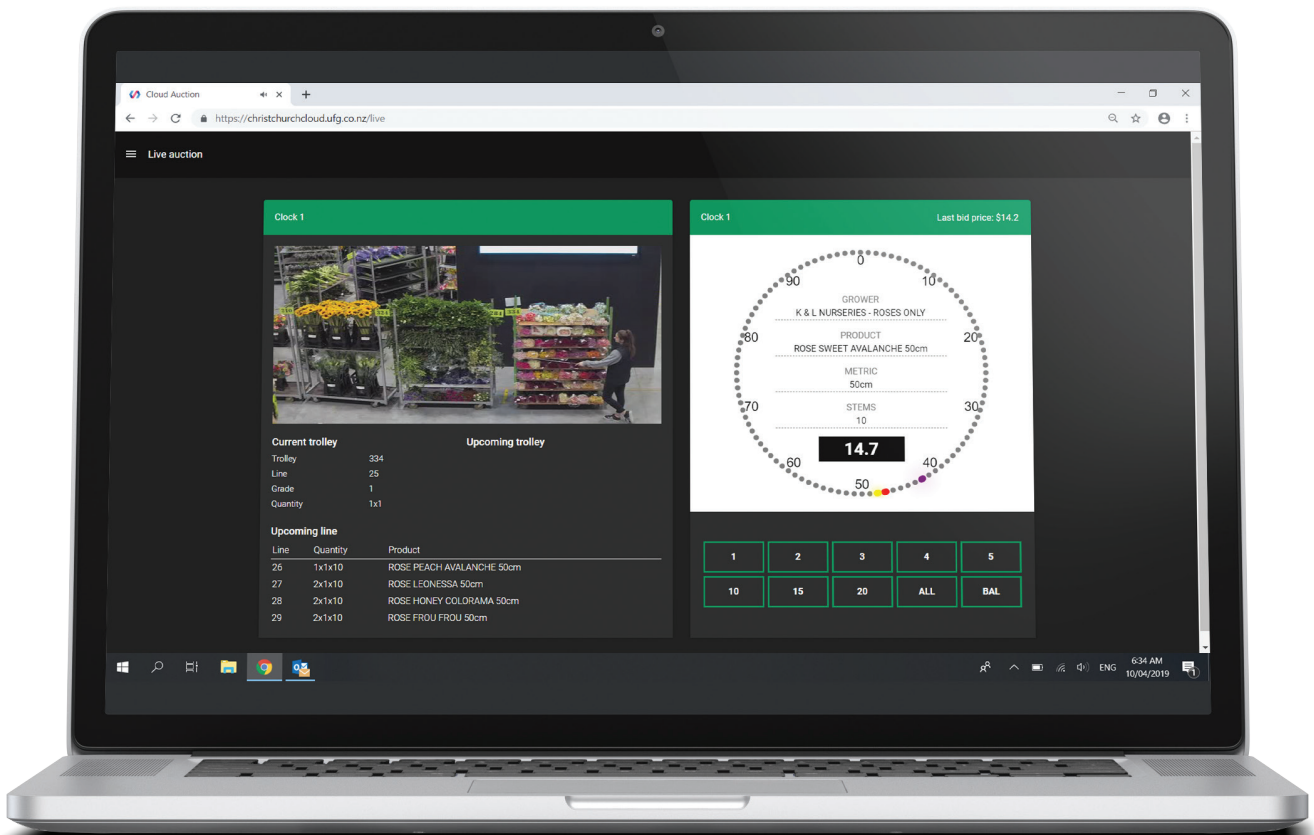
THE CLOUD | Remote auction live in South Island

UFG's Cloud Auction system has recently rolled out to remote buyers in the Canterbury region.

We have received fantastic feedback in regards to accessibility and ease of use of the remote buying system. Our Cloud Auction service will be rolled out to the rest of the South Island over the upcoming months.

For the first time in NZ's history, floral retailers all across the South Island will now have access to a flower auction. The importance of having ample selection and availability on the Christchurch auction floor is more important now than ever as we will introduce even greater demand through our auction systems.

If you have any questions about the Cloud Auction process or are interested in using this service, please contact Megan Baker in Christchurch branch at mbaker@ufg.co.nz or 03 968 4325



Retirement of UFG's Chairman

UFG's chairman since the founding of the company, Keith Goodall has now reduced the number of directorships he held and has announced his retirement as a director and chairman of UFG in April 2019.

Chairman of United Flower Auction from 2003-2011, Keith was a key contributor to the establishment of the joint-venture company United flower Growers Ltd where he has served as company Chairman from establishment of the company in 2010 until his retirement in April 2019.

Keith's involvement and impact on the NZ flower industry has seen the provision of highly professional commercial guidance and financial advice to our company which has helped steer our path forward through a highly troubled decade.

We wish you all the best Keith.

Thank-you for your dedication and support to the NZ flower industry.

UFG's new Chairman

Kerry Wells – Market Gardeners (MG) International Business Manager and one of the founding directors of UFG – has been appointed as UFG's Chairman for the coming year.

Kerry brings with him a robust understanding of the cut-flower industry and we look forward to his governance and support.

Announcement of UFA's new Director

United Flower Auctions has appointed Paul Wessels from Norana Lilies Ltd as a new director to the UFG Board.

Paul is one of New Zealand's largest cut lily growers and exports lily and tulip bulbs to the Netherlands through his export business, Norana Bulbs Ltd.

Growing cut flowers in NZ since 1988, Paul has been a key contributor in the floriculture industry for over 30 years.





As the demand for environmentally friendly packaging options rises throughout NZ, it's time the flower industry looks to find ways to better improve on sustainable packaging practices.

United Flower Growers has seen an increase in focus from our buyers to the use of plastics through our auction system where they are taking note from overseas trends. For example, a plastic flower sleeve has such a short life-cycle, arriving to auction, then transported to a florist shop - only to be thrown away. A reduction in plastic sleeves to Auction, via growers reducing or changing their type of sleeves, not only reduces plastic wastage but also builds on a suppliers 'eco-friendly' reputation.

But it's not just suppliers who are contributing to massive plastic and non-recyclable wastage across New Zealand. Retailers who choose to merchandise their flowers in Vilene, or colourful plastic wraps are also adding to a massive amount of wastage heading straight to the NZ landfills. With so many sustainable paper options available to market, we would love to see retailers choosing recyclable options when presenting their flowers.

Buyers and Growers aren't only people looking at more environmentally friendly packaging options - consumers want better options too. If we look into recent news, we're seeing a consumer drive for less wastage in the Retail and Produce sector. With the banning of single use plastics early this year, this brings around the question of "What is the NZ Floriculture sector doing to reduce wastage and plastic use?"

ECO PACKAGING | Home Compostable Films

Grounded Packaging is one of the first businesses focused specifically on compostable flexible packaging. We have a range of different films suitable for different purposes in apparel, food and horticulture. All of our films are certified compostable and made from bio-based materials.

Specifically for the flower industry we have a certified home compostable film which can be provided by the roll or by the sheet, all of which is able to be fully printed / customised to suit different businesses and their branding. The materials we use for this are very similar to texturally and functionally to the films currently used in the flower industry but ours are close to 95% bio-based and will largely biodegrade in a home compost in 90 days.

These films represent an exciting solution to what is a complicated problem, replacing soft plastics in an environment where they provide functional benefits.



If this sounds interesting for your business we would love to have a chat to you so drop us a note to hello@groundedpackaging.co or visit our website to discover more www.groundedpackaging.co

PEST CONTROL | Biological Crop Protection



Figure 1. two spotted spider mite damage



Figure 2. Beneficial predator attacking two spotted spider mite

Zonda Beneficial's is the New Zealand market leader in the field of biological crop protection and natural pollination. Our NZ owned company specialises in the production of Beneficial's and Bumblebees for use in the horticultural and agricultural sectors.

We provide specialised biological crop protection through the use of beneficial bugs, offering natural solutions for the control of plant pests and diseases that benefit you, your customers and the environment.

When natural enemies are used to control pests, the use of chemicals can be reduced, or even eliminated altogether. This is an essential step on the path to developing a more organic approach in the horticultural and agricultural sectors.

Zonda Beneficial's supplies a complete biological system, from live products to advice and guidance. Delivering a healthy combination for everyone. We currently offer products to assist in the control of two spotted spider mite, thrips, psyllids and whitefly. We also stock a range of pheromone traps, caps, lures and monitoring products.



Contact us today to discover how we can help.

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Comments or Concerns?

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