

# New training programme sweetens the honey industry

New Zealand's honey industry is benefitting from a tailored version of the Food and Related Products Processing (FRPP) qualification, adapted specifically to meet the industry's Risk Management Programme (RMP) requirements.

The initiative has resulted from co-operation between Competenz and AsureQuality, who deliver the training on our behalf, and is being trialed primarily in the South Island. It is an innovative win-win partnership that will deliver improved training to an industry that is steadily growing, says Competenz Account Manager **Aaron Amyes**, who along with Area Manager **Mary Hinsen** has been instrumental in developing the training.

Most honey producers are small companies or one man bands and many are in remote locations – which meant that signing corporate agreements with each honey producer would have been onerous for all concerned.

This was overcome by concluding a single corporate agreement with AsureQuality, which means all the beekeepers or honey producers need to do is sign their training agreement and pay their industry contribution to AsureQuality when they enroll for the course.

Honey industry learners attend a two-day AsureQuality course which satisfies the NZ Food Safety Authority audit requirements then complete the FRPP L2 qualification through workplace assessments over the next 9 to 12 months.

AsureQuality has tailored their learning programme to meet the requirements of Competenz' assessment guides and included the additional requirements to meet Unit Standards.

**To date, around 65 learners from around 50 companies have attended the courses held in Nelson, Christchurch, Alexandra and Timaru and initial feedback from industry has been 100% positive.**

The training is delivered by AsureQuality's trainers **Tony Roper** and **Marco Gonzalez** who both hold a wealth of knowledge and experience in handling bees, as well as quality assurance and auditing of the industry.

Tony, a beekeeper and honey producer himself has been interested in bees since he was four years old and Marco is a qualified vet originally from Paraguay, where the beekeeping industry is included in a veterinarian's training and degree.

"The food safety and health and safety requirements for the industry are very rigorous because honey is classified as an animal product. It is imperative that beekeepers and



*Tony Roper points to show Marco and Aaron (centre) the Queen bee*

processors alike are familiar with all aspects of the code of practice of beekeeping and the reasoning behind the theory of food safety.

"The industry has certainly changed over the years, and this type of training will benefit everyone involved – from a one man operator to a large processing plant – and standards are needed to ensure that quality is established and maintained. Learners say they feel valued and that their employer is looking after them by offering the training opportunity to them," says Tony.

Aaron agrees saying, "training retains staff – they feel rewarded. Most people think if you train staff they will leave but in reality it incentivises them to stay."

**Honey producer Airborne showed their commitment to quality assurance by sending four employees on the two day course – from the Chief Executive to the forklift driver.**

**Janice Joblin**, Airborne's honey buyer, food safety and health and safety officer has completed the training and found it beneficial.

"The course itself is geared more to beekeepers but overall the content is very helpful. It is important that there is a hazard training programme implemented in all premises and lots of beekeeping premises do not complete any training.

"AsureQuality get people trained before people or businesses are shut down due to poor health and safety or food safety standards," explained Janice.

Airborne is one of New Zealand's oldest honey producers and will celebrate 100 years of business in 2010, and quality assurance is paramount, says Janice.

"We buy honey from 200 different bee keepers so it's crucial we follow strict food safety and handling processes ourselves and our quality control is the RMP certified keepers.

"It was fortunate to have someone like Tony delivering the course because he thoroughly understands bees and honey."

The New Zealand honey season is December through to April.

If you want more information on this training contact your Competenz account manager direct or call **0800 526 1800**.

## STOP PRESS 2010 Board Forums Announced

The Competenz Board will hold three Board Forums next year:

26 March Dunedin

30 July Hamilton

24 September Napier/Hastings

Note: Venues to be confirmed – more details will be sent to members closer to the time.

# Competitive Manufacturing initiative a success for Frucor

In 2007 senior management at Frucor Beverages Limited developed a strategy to take staff on a journey through the Competitive Manufacturing process as it became evident that a formal improvement programme would lead to enhanced performance in all aspects of the business.

**Philip Penhale**, Frucor's Optimisation Manager along with Competenz Account Manager **Dylan Patchett** and **Bob Carter** of The Improve Group set out to develop and implement a strategy that would meet Frucor's overall goal of achieving an 80% shift in cultural change and 20% in seen change.

**"We started our journey in August 2007 and it continues every day,"** said Philip.

To kick start the journey, the Frucor team undertook a Competitive Manufacturing review which indicated opportunities in Visual Management, 5S, Quick Change-over and Continuous Improvement.

"From the start we all knew we were going to try to achieve Level 2 or 4 qualifications," explained Philip. "While it was difficult for some, it was a great start, and working together we achieved the qualifications."

The training took place in a lecture room for about 30 minutes at the commencement of every new project when the CM coaches gave practical explanations on how to use the new tools from a selected group of unit standards. This was followed by staff 'discovering' how this new knowledge could be applied in their workplace

Typically coaches spent about half a day each fortnight for six to 12 sessions per year on site throughout the two-year period starting with the production team to apply the tools and techniques. Using a staggered approach, the supply, batching and Tetrapak line teams repeated the theme of 5S and Visual Management, taking all the lessons learned from the production area and customising them for their own use.

In the second year, the theme was 'quick changeovers', followed by continuous improvement mistake proofing in year three.

As a result continuous improvement became the norm of thinking for all employees said Philip.

Tangible results and visible change can now be seen in most areas of the plant and stores with new and clear instructions for traffic flow, new signage and storage racks for light tools and materials. Motion maps, cause and effect diagrams, graph charts indicating production levels and progress achieved, and Visual Workplace charts, whereby a floor layout is duplicated in print and hung on the wall are also in place.

The CM journey has engaged 70 employees with 150 National Certificates achieved with a target completion rate of 100% by December 2009.



*Automated labeling ensures efficient levels of productivity*

The commitment by staff is the largest investment required – to date, a total of 21,381 hours and \$500,000 has been committed – but is seen as beneficial to all when results show an improvement in business measures and staff development made over the two-year period.

Of the journey Philip says, "The key to a new approach was harnessing every staff member's insights, energy and talent to eliminate 'non-value activities' from the



*Philip Penhale charts progress on the CM noticeboard in the bottling plant*

workplace as well as giving teams the opportunity to take ownership of their work.

"We wanted a programme that would challenge us, develop us and help us to see new possibilities we had not been able to see for ourselves," he said.

"We knew the programme had to be workplace based, deliver team and individual development, be fun and have a visual impact on the workplace and conditions of employees.

**"For us, good isn't good enough – we want to be the best."**

From the factory floor, **Chris Kane**, Factor Manager agrees. "We have seen huge gains in efficiency . . . we are creating a culture of Continuous Improvement," he says.

Of his CM experience **Ngametua John**, Procomac Line 1 operator feels the biggest part of learning was 'think positive'. **"As a person who was learning for the first time since leaving school, the opportunity to learn and have a CM qualification Level 2 is great. I like the PDCA cycle and use it at home too. This is a journey of self-discipline – it will not work if you cannot apply self discipline."**

Other tangible improvements gained since the journey began include: simplification of more difficult tasks; elimination of fallen bottles and cans on the overhead conveyors; relocation of valves so operators do not reach over hot pipes to make adjustments and the implementation of increased safety measures during manual handling tasks associated with quick changeovers.

**Competenz can guide you on your journey to a CM-enhanced business.**

**For more information call:**

**William Bratton on (09) 539 9879 or Andrew Brownlee on (09) 539 9871 or email [info@competenz.org.nz](mailto:info@competenz.org.nz)**

## Competenz receives re-recognition

Competenz is pleased to announce we have received re-recognition status as the ITO for the Baking, Food and Beverage Manufacturing industries for a further five years.

After a year in which industry's patience has been tested by the cumbersome process which Competenz has been forced to go through we are pleased that the Hon. Anne Tolley, Minister of Education has silenced the contesting ITO who has been unable to demonstrate sufficient willing support from industry.

We thank those companies who have expressed their support for us as their ITO and reiterate our commitment to partnering closely with industry to provide the skill base for success.

## High training numbers will maintain skilled workforce

Despite the past 12 months being a difficult period for many New Zealand businesses it appears the economic climate is easing. Manufacturing activity in New Zealand is beginning to show signs of expansion for the first time since April 2008.

Business analysts are forecasting growth and report an increase in many areas including the receipt of new orders, employment, production and deliveries. But the drive for increased efficiency will continue even as business conditions improve.

This is gratifying news and should be encouraging to employers who have maintained their commitment to training which has remained high and apprentice numbers have also remained high.

The downturn is not going to last forever and we need to ensure that we keep training so that we are not robbed of a skilled workforce. We are confident New Zealand industry will not suffer the same skills shortages that have constrained economic growth in the past as our economy climbs out of the recession in 2010.

However the Government is asking us for a greater return on training investment and future funding, which is frozen at the 2009 level, will be linked to successful outcomes.

Competenz is playing its part by being more efficient in the way we purchase training courses thereby improving the rate of apprentice and trainee completions while at



John Blakey

the same time reducing our administrative expenditure.

**Trades training is critical to the success of the country – these are the people with the skills that build the economy. Let's work together to maintain the momentum of providing and delivering quality training programmes and make 2010 a successful year for industry.**

On behalf of everyone at Competenz I wish you and yours a very Merry Christmas and a safe, happy and prosperous New Year.

Best wishes,

**John Blakey, Chief Executive**



## Holiday season closure

Competenz will close for the festive season on Friday 18 December 2009 and re-open on Tuesday, 5 January 2010.

## Competenz Food & Beverage Manufacturing Forum a resounding success

Competenz recently hosted a forum themed 'A Recipe for Success' where industry leaders came together to contribute ideas on a conference to be held in 2010 for the Food and Beverage Manufacturing industry. It was a resounding success.

Keynote speakers included leading financial journalist, **Rod Oram** who spoke on Global Opportunities and Challenges for the NZ Food and Beverage Sector, **Warren McNab** (GM Food & Textiles Science – **AgResearch**) and **Nevin Amos** (Chief Supply Chain Officer – **Comvita**) who each respectively presented on how developments in science, manufacturing practices, and marketing strategies are changing the sector now, and what impacts these might have on future consumerism.

These presentations are now available for you to view on our website which will give you an exciting and thought provoking insight into your industry as well as a glimpse of what industry leaders anticipate for the 2010 food and beverage manufacturing event.

To view the videos and the power point presentations visit: [www.competenz.org.nz/index.php/food-a-beverage-forum](http://www.competenz.org.nz/index.php/food-a-beverage-forum)



# Exporting better, not more, is the key to economic growth

The Food and Beverage sector has long been the backbone of New Zealand's economic growth – from the first shipload of frozen sheep carcasses sent to Britain in 1882, to Fonterra's global expansion. That needs to continue if we're to achieve the government's stated goal of matching Australia's per capita GDP by 2025. But respected business commentator Rod Oram is sounding a warning to producers who think that incremental productivity improvements coupled with rampant global population growth will enable us to succeed in playing catch-up.

"Our domestic market is simply too small to drive the sort of economic growth we need to get our standard of living to match Australia's," says Rod. "We need to double our exports in real terms and incremental productivity improvements are not going to do that."

"We need to be able to make radical changes."

The solution Rod advocates is one where New Zealand moves from being a low cost, abundant producer to supplying high-value products to niche markets and from relying on a relatively vague 'clean, green' image to being able to demonstrate true sustainability.

Rod says rampant global population growth won't translate to economic growth in New Zealand.

The world's population is booming – from 6.8 billion people now to a predicted 10 billion by 2050.

At their food crisis summit in Rome last year, the UN's Food and Agriculture Organisation (FAO) identified the scale of the problem: to feed the burgeoning population we must increase world food production by a massive 50% by 2030 – and double it by 2050.

**The problem is that while the population is growing, the world's resources aren't.** Agricultural productivity is declining and food production is increasingly being used for non-food purposes: half the world's increase in grain consumption in 2006–07 went to biofuel production.



Rod Oram

Climate change is affecting food production – wheat harvests in Australia have plummeted due to drought and other bad weather. And scientific progress is faltering: few new plant varieties are being developed and yield growth is low.

As a result, food inventories have fallen by more than 50% this decade alone – from 120 days in 2000 to just 55 days in 2008 – and prices have soared.

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**Resource constraints hit us here, just as they affect other producers.**

In 2006, the Food & Beverage Taskforce, a joint industry-government body noted: "On every resource front – land, water, labour and capital – food & beverage production is pushing up against volume constraints. Environmental standards are limiting the type and form of land and water use in some parts of the country."

"Here's the dilemma," says Rod: "Do we increase food production by increasing intensification – and risk damaging our environmental credentials even as the world's consumers are becoming more environmentally aware? Or do we specialise, targeting lucrative market niches and leveraging advances in science? The fact is we don't really have a choice."

"Right now we are a low-cost, volume producer – but there simply isn't a future in that for New Zealand. We are beginning to reach the limit of what we can produce without increasingly intensive production and the environmental impacts that brings. Meanwhile developing countries are growing their production incredibly fast, leveraging a far cheaper workforce, exporting more – they'll undercut us. We need to move up the value chain – or get used to the idea of a far lower standard of living," explained Rod.

Food makes up 48% of NZ's merchandise export value<sup>1</sup> – and when we compare our production size to the percentage of world trade we represent<sup>2</sup> we box well above our weight.

**Beef** – 1% of world production, but **7%** of world trade

**Game Meat** – 3% of world production, but **42%** of world trade

**Sheep Meat** – 6% of world production, but **38%** of world trade

**Wool** – 10% of world production, but **17%** of world trade

**Butter** – 6% of world production, but **48%** of world trade

**Cheese** – 3% of world production, but **22%** of world trade

**Milk Powder** – 5% of world production, but **35%** of world trade

<sup>1</sup>Dairy food excludes casein and other non-food dairy products. Data are for the year ending July 2008. Source: Statistics NZ Overseas Merchandise Trade statistics, AgResearch analysis; c/o AgResearch

<sup>2</sup>Source: FAOSTAT & USDA (2006); c/o AgResearch  
Production figures at <http://faostat.fao.org/site/569/DesktopDefault.aspx?PageID=569>  
Export figures are at <http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535>

Between 2000 and 2015 non-OECD countries' production of whole milk powder will grow 65%, outstripping their consumption growth of more than 49% – contrast that with the OECD, where production will grow 13%, and consumption will grow less than 9%.

"We really need to get serious about being sustainable – and being able to prove it. Sustainability is no longer a niche concern, it has gone mainstream," exclaims Rod.

"Just look at the type of initiatives that Wal-Mart and Marks & Spencer have launched. They're doing it because it makes business sense and not just because reducing waste saves money. They are being forced to change because of consumer demand. They have no choice – and neither do we."



Rod delivering his keynote address at the 2009 Food and Beverage Forum.

US-based Wal-Mart is the world's largest retailer, with 1.8 million employees and global sales of \$US360 billion – 275% of NZ's 2008 GDP of \$US131 billion. Four years ago they set themselves an audacious goal: zero waste, 100% renewable energy, and a shift to products that are better suited to the environment.

Meanwhile, Britain's Marks & Spencer have launched 'Plan A' – a five-year, 100-point plan for sustainability based around five commitments: to become carbon neutral, to source raw materials from sustainable sources, to encourage customers and employees to eat healthily (they no longer stock foods with GM ingredients), to send no waste to landfills, and to be a fair trade partner. It's a radical initiative: Marks & Spencer call it 'the biggest driver of innovation we've ever seen'.

Food manufacturers are following suit. Walkers crisps packets carry comprehensive environmental and health labelling – detailing the percentage carbon impact of each stage of the production process, from farming, manufacture, packaging, and distribution to waste disposal, plus details of the percentage of an adult's recommended daily allowance the product delivers in calories, sugar, fat, saturates and salt.

Says Rod: "Sustainability at Walkers' is a powerful business discipline, driving great efficiencies and transforming their business model, service delivery and relationships. It goes hand-in-hand with the best of competitive manufacturing practice."

**Our national dairy production doubled in the 15 years to 2007 to a total of 1.3m tonnes – and we did that by using more land, more intensively:<sup>3</sup>**

**Production per hectare: 43%**

**Production per cow: 27%**

**Effective hectares: 32%**

**But our CH4 emissions have increased, too – with dairy cattle emissions increasing 71% between 1990 and 2004<sup>4</sup>.**

<sup>3</sup> c/o AgResearch

<sup>4</sup> Source: New Zealand Climate Change Office 2006, c/o AgResearch

# New training programme uncapped

Competenz Chief Executive John Blakey and NZHITO's Deputy Chief Executive Bronwyn Winchester celebrated the unveiling and launch of the Winery & Viticulture Foundation Programme, at Yealands Estate Winery in Blenheim last month.

The two ITOs have completed an intense training programme for account managers and training advisors respectively and report receiving strong interest from many wineries to date. First to sign up employees was Peter Yealand, Managing Director of Yealands Estate Winery who complemented both Competenz and NZHITO on the new initiative saying the programme will not only increase the skill level of workers but should also attract newcomers to the industry.



Bronwyn Winchester (NZHITO) and John Blakey (Competenz) raise their glasses to the success of the joint training initiative.



Kurt Lindsay, Vineyard Supervisor (left) and Tristan Neal, Assistant Vineyard Manager (right) at Yealands Estate were first to sign up to the new programme.

*Exporting better, not more... Continued from page 3*

Consumers' expectations of companies' sustainability credentials are increasing. New Zealand food & beverage producers need to identify new ways to find, engage and influence them, and to collect, interpret and act on real-time environmental data at each stage of the production process – from ingredients sourcing through to the finished product's delivery to the end market.

## Rod highlights three areas where New Zealand needs to make very big strategic shifts:

### Trade:

- **Now:** We are low-cost, abundant producers, seeking more market access
- **Future:** *We are the high-value producers, seeking partnerships*

### Investment:

- **Now:** Still heavily domestic; only a few players trying to go global
- **Future:** *Global companies with some outside capital*

### Science:

- **Now:** Incremental progress of traditional science, applied locally
- **Future:** *Big leaps of radical science, applied globally*

Rod says the Primary Growth Partnership (PGP), a government-industry partnership launched this year and heralded as 'the largest single boost to NZ innovation funding ever', is a step in the right

direction – and an important addition to programmes like New Zealand Trade and Enterprise's Manufacturing Plus Programme and the ICEHOUSE's Owner Manager Programme.

The PGP will provide funding of \$190 million over four years, matched dollar-for-dollar by industry. It will invest in significant programmes of research and innovation to boost the economic growth and sustainability of New Zealand's primary and food sectors.

Projects that could receive funding will span R&D and education, product development, commercialisation, market development and technology transfer. (More information can be obtained by emailing: [pgp@maf.govt.nz](mailto:pgp@maf.govt.nz))

"We also need to focus more on producing capital goods for export, and relying less on exports of consumer goods. It's not a traditional strength of New Zealand business – but there are real opportunities in leveraging R&D and intellectual property, especially in areas like agriculture and clean technologies," says Rod.

"We need a radical solution," says Rod. "We'll either be at the table, or on the menu."

Rod believes there are still many opportunities out there for New Zealand and in particular the food and beverage industry, but we need to earn more. He thinks our domestic market is too small to

drive the Government's goal of catching up to the Australian GDP per capita by 2025.

While the sector has some strengths Rod says there are many weaknesses and although potential opportunities beckon, there are huge challenges to fulfil it. (See "Mapping the Structure of the NZ Food & Beverage Industry" research report at [www.nzte.govt.nz/common/files/fbtaskforce-mapping.pdf](http://www.nzte.govt.nz/common/files/fbtaskforce-mapping.pdf))

He sees good growth across most sub-sectors but we have too many small companies and an abundance of wholesalers, saying 'even Fonterra is small in a global context.'

There are two choices available: shrink, which Rod says is the classic remedy – reducing activity so it fits your limited resources which would result in more than five years of recession then anaemic recovery; or grow – expanding our resources to enable more non-inflationary activity. This means more savings, investments, technology, debates, action and ambition, offering plenty of opportunities at home and abroad.

As a result we would progress, gaining confidence, expanding our reach and building our future resulting in long term prosperity and security.

**At the end of the day "New Zealand will be what we make it," says Rod.**