To pool or not to pool

One of the challenges packhouse managers have had to deal with since deregulation has been how to fairly distribute income from exporters back to growers.

Many packhouses now operate trusts, which are responsible for receiving and distributing the income (from any of the numerous exporters and/or from local market sales).

Some exporters are operating pooling systems —where the amount returned to the grower is the average value of the sales for a certain grouping of fruit, e.g. High Colour Royal Gala. (This is equivalent to how income was distributed by ENZA in the regulated industry). Splitting the total crop into pools means growers can be rewarded for producing the apples the market wants while not penalising particular growers for any short term market fluctuations.

Many exporters, though, pay the true return for a carton. This means if 49 cartons were sold with a net return of $15.00 one hour and an hour later another 49 cartons fetched $18.00 then the payments to the suppliers were these exact amounts. This payment system is transparent, but there is a downside —the grower may be penalised for things out of their control.

Should the grower whose fruit was sold first have to live with the $3 difference or is it fairer to average the amount returned to $16.50? To be paid the true amount would be fine for any grower if you could guarantee your fruit was the one that was always sold for the higher amount. (Few growers have the ability to say exactly when and how their fruit is packed and sold!)

To manage the returns fairly, packhouses are now often performing the task of pooling the income into various groups such as variety, grade and size. How should these groups will be divided? Firstly, too much division

and you will have an administrative nightmare, which may cost you more to manage than the difference in returns. Secondly, preset divisions do not cater for changes during the season. For example, a single pool may be created initially but as the returns start coming in you find the market is differentiating between high colour and low colour fruit. In order to send the right signals to the growers, the pooling system should be altered.
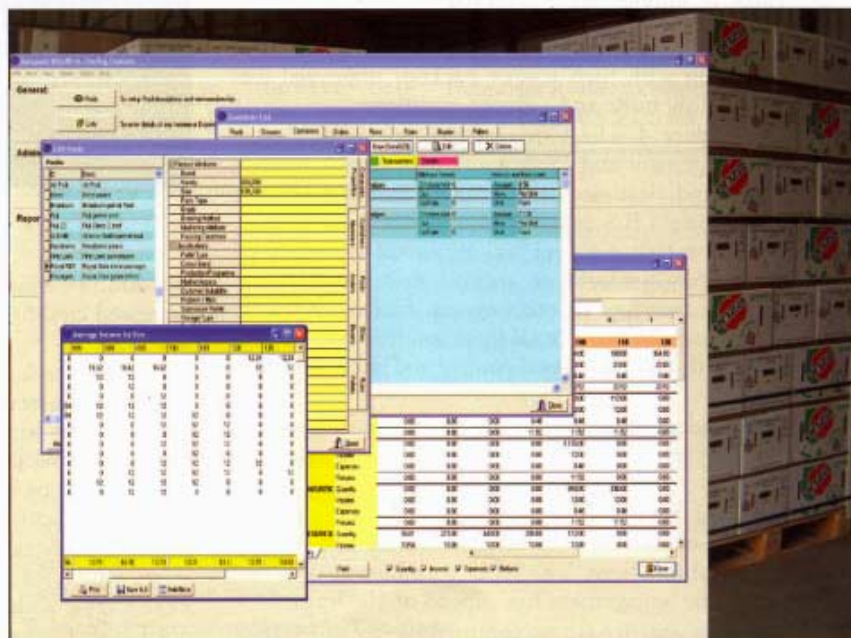
As well as helping growers, a well-designed, flexible pooling system assists management to make improved decisions. For example, if you wanted to know whether you should keep sending fruit to a particular market (or buyer) a good pooling system will allow you to access results without re—entering sales information.

Fruit may need to belong to more than one pool. Pools themselves could be part of a larger pool or the fruit may be split into other sub-pools. The possible combinations are virtually endless as illustrated in Figure 1 below.

To alleviate all headaches associated with pooling yet retain the ability to manage complicated customer requirements, TASC Systems Ltd developed their WhirlPool software program.

WhirlPool is an income-and-cost-tracking program with an easy-to-use pooling system. This proved a big hit with those that used it for the 2003 season. One of those users was Jamie Van Vliet, from JR's Pack n Cool, Greytown. She says, "We are extremely thankful for the

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development of WhirlPool. We are especially pleased with how it tracks and calculates all Grower submissions and Exporter payments."

Packhouse managers will find this program immensely valuable to their packhouse operation - the accuracy will be a great relief to both the managers and their grower—clients.

Income and costs are tracked automatically at carton level which is the key to Whirlpool's flexible use...

.pooling changes can be made and reports generated as needed. The income for any changed pools is redistributed without any re-keying of information.

Ease of use is a major consideration during the development of all of the TASC products. Jamie agrees, "Our staff love the flexibility and user-friendliness TASC software offers. Also the service, training and support from Philip and his team I highly recommend."

Whirlpool is one of modules of the TASC LabelPal product range. The core software product LabelPal has been used for 5 years in packhouses, generating millions of labels and hundreds of thousands of pallet cards in pipfruit packhouses throughout New Zealand.

Other successful programs available from TASC include inline carton printing, coolstore inventory management, and computer-based QC sheet generation.