

Spud sales soar

GROWING AGAINST THE GRAIN

Ray Ellis had to make a quick detour to the supermarket's vege aisle before Enterprise magazine paid him a visit.

He needed a few potatoes to use as a photo prop as he had not a single one at home or at work.

Ironic, considering his company will export about 7.5 thousand tonnes of potatoes this year.

Ray is the managing director of Tauranga-based Ellis Agricultural Services Ltd, which is one of only seven companies in the world to be global exporters of potatoes – that is, this business grows potatoes in more than one country and sells them to more than one.

Ray says the company is purely an exporting business and functions as a supply manager. Quality and logistics are the focus.

The potatoes are grown in Matamata, the Manawatu, Canterbury, South and West Australia and in California and Oregon in the United States. And then the bulk is exported. Only half a per cent of the total turnover is processed in New Zealand. Instead, about 7.5 thousand tonnes of potatoes will this year be sourced from Ray's contract growers in New Zealand, Australia and America and shipped to Thailand, the Philippines, Malaysia and Hong Kong – and a small amount to the Middle East - where they are predominantly made into crisps. They are then marketed and consumed mainly within Asia. The potatoes that aren't processed into crisps are re-planted for future crops.

Ray's business is far from hurting during the current economic downturn. In fact, the 7.5 thousand tonne export amount is up about 40 per cent on last year.

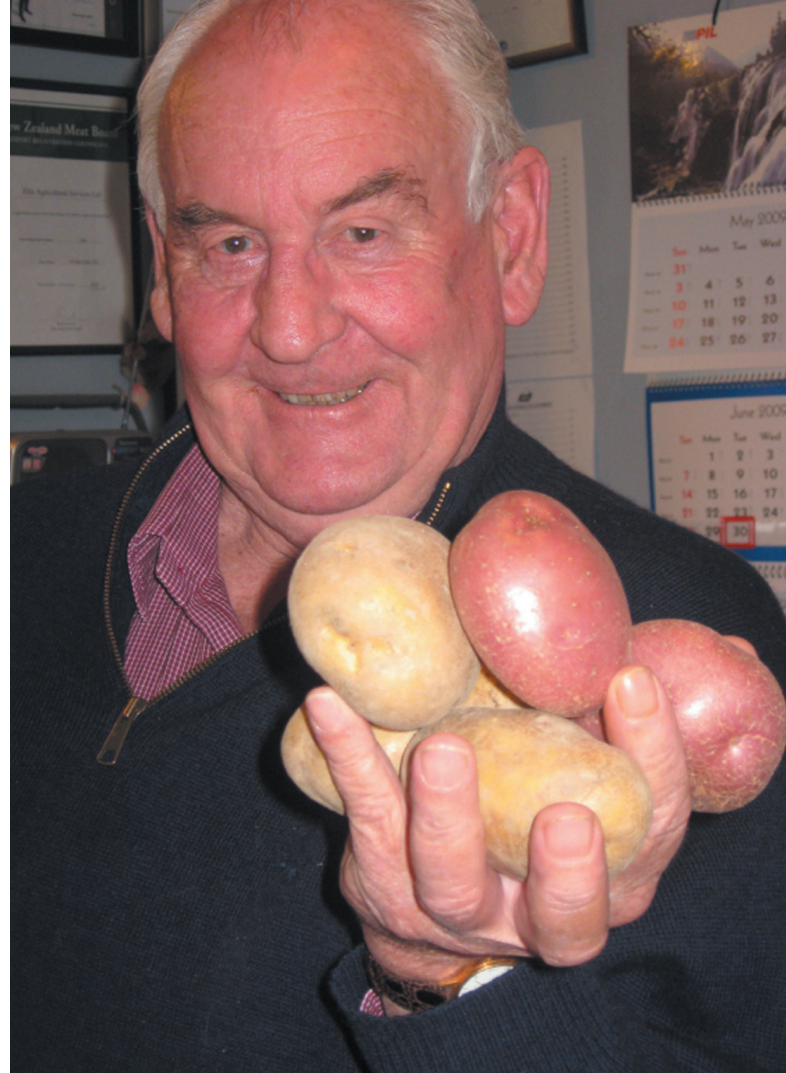
"This is the third major downturn I have experienced since I started the business in 1992. Every time there seems to be a downturn our volume increases – although there have been drop offs in between.

"The reason is basically because with an economic downturn the peripheral traders go out of business, leaving room for greater expansion of other businesses such as mine," Ray says.

He says expanding his business over recent years to include contract growers in Australia and America has been a valuable move.

"The decision to grow offshore was deliberate and made when we had a shortage of potatoes in New Zealand, a few years of climatic problems and clients wanting more service, volume and varieties than could be grown here.

"So we went offshore, initially to Australia and then last year to America. This has really bulked up the NZ requirement as for every



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tonne we have taken off shore we have received another back."

This year the company will export 5.5 thousand tonnes of potatoes from NZ alone and that's up considerably on last year's amount, Ray says.

Ellis Agricultural Services Ltd also runs a dedicated potato seed programme into Thailand, working with a processing company that grows 30,000 tonnes of potatoes for its own use in Thailand. Ray says this venture necessitates at least two trips to Thailand each year to check the crops and organise supply for the following year. It takes him into remote areas of the Thai countryside where many Europeans don't go, and where it pays to be careful due to drug harvesting, he says.

There's actually more to the business than potatoes and potato seed. Ellis Agricultural Services Ltd also handles two other products in small quantities. These are Pukekohe and Waikato-grown onions that are exported to Taiwan and Hong Kong, and meat and protein sent to Taiwan for pet and stock food.

Before setting up his current enterprise, Ray was involved in farming and engineering in the Wairarapa and has spent time consulting on land development in Taiwan, Java and Malaysia.