

OF HYDROPONICS

The Common Sense of Quality and Customer Service

Rod Smith built his business by growing a good product, determining his market niche, and then catering to the needs of his customers

Readers could get tired of my waxing lyrical about the beauty of my part of New Zealand. Maybe it's because I always make my site visits on very good days so that I can be assured of good light for my photos that I always seem to view the growing locations and their surrounding area at their very best. My visit to Sun Valley Produce has been no exception. Located about 40 minutes north of my home is an area populated mainly by kiwi fruit and avocado orchards.



Aerial shot of Sun Valley Produce on New Zealand's South Island. This photo was taken before the last expansion which saw the front area where the vehicles are parked being filled right up with more growing benches.



Top: Sun Valley Produce owner and operator Rod Smith surveys crop in the herb house. Above left: Rod Smith's business card. Above right: Rod Smith recently purchased this van which he had decorated with colorful signage to advertise his company's salad and herb products. The van has a fully insulated cargo space chilled by a ceiling-mounted fan coil evaporator unit.



Left: Each bed holds 550 plants. Beds are supported on strong timber posts, have roll up sides for internal temperature control and have weed-matting covering the ground beneath to keep the growing area clean. Right: Rod Smith, left, discusses herb production figures with his greenhouse manager. Note the green shade cloth that can be pulled right across the crop in the height of summer to prevent crop sunburn.





Left, top to bottom: The signage above the drying tunnel entrance says it all for me. Sun Valley Produce staff are constantly reminded of the high standards expected by clients. A Sta-Rite centrifugal hydro pump, my favorite, supplies nutrient out to the beds. A and B nutrient concentrate containers, filters and solenoid valves dump concentrate into the main tank to maintain the desired CF value. *Above:* The washed product continues along a motorized conveyor through this refrigerated, fan-assisted drying tunnel to the packing benches. It then goes into cool stores awaiting transport to clients. Nothing stays around for very long, and temperatures are never allowed to rise.

Rod and Viv Smith (no relation) came to New Zealand from the United Kingdom in 1972. In their new home Rod continued his life as a businessman in manufacturing and sales. Just prior to getting the growing bug, he had one of the class jobs in the world—delivering New Zealand-built super yachts to clients all over the world. Yachting is in the family's blood: his son operates an ex-America's Cup racing yacht on lake Wakatipu-Queenstown, a popular tourist destination in NZ's South Island.

In 1989, looking for a lifestyle which was more conducive to raising a family, Rod and Viv purchased a sizeable block of developed orchard located at a mini-paradise called Ongare Point, in the heart of the "Bay of Plenty's" horticultural region.

From a business point of view the trouble with orchards is the lack of cash flow until harvest time. Rod was looking for something else he could do on unused areas of his property that would contribute

toward the costs of supporting a growing family and the ongoing costs of operating the orchard. One day he visited our hydroponic headquarters. We had built there a demonstration hydroponic gardens, the centerpiece of which was an NFT lettuce bench covered with a purpose-made cloche system.

Rod Becomes a Hydroponic Grower

Rod pondered the possibilities of such growing. He immediately recognized the huge amount of control the hydroponic grower has over the vagaries of growing in the soil, in which Mother Nature rules supreme. He purchased enough materials and equipment to set up six beds, each holding 550 plant spaces. With very little formal training (other than reading a couple of books) and having more than his fair share of common sense, he started growing saleable lettuce.

At this time there was really only one

accepted place to market such produce—at the local fruit and vegetable auction floor. He persisted with this method for a short time, but being a man whose career had been in sales and marketing he quickly saw how unsatisfactory this method of sales and distribution of such a perishable product was. In order to build an ongoing demand for his products, the answer was to take control of the whole operation from growing direct to the end-user—be that a restaurant, hotel, hospital or a retail sales outlet.

Rod realized that lettuce needed to be kept cold in order to ensure top quality and shelf life, so he started transporting his products to end-users by way of local carriers operating refrigerated trucks. While in the main this was working, every so often he would have to get an ear bashing from some client whose product was not up to scratch, either because the product had not been maintained cold enough or



Clockwise from top right: New plants grow in pumice-filled hydroponic gropots beside brilliant red heads of lettuce. Two methods of propagation are used. One method calls for rockwool cubes in hygiene trays placed on Stahl and Plast flood-and-drain benches. The other utilizes gropots filled with pumice. Each gully is provided with two microtube feeders to ensure an uninterrupted nutrient supply in the event one tube becomes blocked. Dosetronic auto controller takes care of the conductivity and pH of the nutrient solution. Note that the acid bottle doses straight into the sample tank at top right hand of the control board. The conductivity probe is located in a syphon break loop. The herb house grows 22 different herb varieties mainly in flood-and-drain beds. There also a small area of NFT gullies.



because it had been packed into the truck straight in front of the full blast of the chiller unit and had ended up being frozen at some stage of the journey.

I should mention at this stage of the story that we are talking about a man who unashamedly wants to be in full control of his destiny, a rare attribute nowadays where most people want the government to do everything for them. Rod realized that the only way to ensure products arrived safely and in top condition was that he put his own truck on the road. He then purchased a refrigerated truck and made sure to hold the lettuce above freezing point but below 2 C (35.6 F).

Rod was pretty successful with his venture, and with his wealth of marketing

expertise soon saw many more possibilities for this industry. The growing facility went through a period of near constant expansion. Today, it provides 72,000 growing places, and with the extremely rapid turnaround that hydroponics allows finds very few spaces vacant for more than 48 hours!

Adding Value

Rod gave some thought to the product and realized that selling heads of lettuce was a pretty basic method of selling a product. He needed to lift the value of the product for himself and for his clients. He bravely (at that time) began removing the core of the lettuce and selling leaf by weight. This meant that all the loose leaves had to be washed, sterilized and dried before packag-

ing, ready for delivery.

He initially found some resistance to his idea until he had an opportunity to explain his thinking to a particular client. At this time one of his major clients was an airline. Rod explained that when they purchased whole heads they had a poor control over just how many meals a consignment would provide, whereas when they purchased so many pounds of 100% usable product that's cleaned and sanitized, they not only now had a near zero labor requirement but could also calculate exactly how many meal servings of lettuce per pound supplied would result.

He developed other ideas as well. Growers in Australia had started exporting a new product called mesclun, a European

idea providing a mixture of several lettuce types as a loose-leaf mix. Rod quickly got into this new market but thought it was a little limited. So again the thinking cap went on and he determined that he needed to start growing a range of herbs so that he could market innovative salad mixes.

You may wonder why I have elected to talk about the marketing philosophies rather than starting with the production of the actual produce. Those of you who have followed my reports may remember an operation called North South Flowers, growing and selling by mail order bunches of carnations. What was unique about that story was that a husband and wife team, both high-flying professional business people, decided to take on growing. Everything about the operation was to be calculated from a sound business point of view. They knew little about the science of growing. But they quickly learned the importance of discarding any part of the operation that was shown to be financially unnecessary while enhancing those aspects that assisted in building a positive financial outcome.

Rod comes from a similar background. He has never sold on price. His major tool has been consistency of quality and supply. End-users can rely upon his company to always come up with quality goods!

To further the range of salad lines, Rod introduced unique lines such as Saladini Mix, with 17 different salad products, and Chef's Choice, where individual chefs draw up the specification for their own customized mixes.

As well as the salad mixtures they also grow and supply 10 varieties of lettuce sold as full heads and 22 different fresh-cut herbs. All the way the motto of the company is: "We simply serve salad to your satisfaction."

Rod's Hydro Setup

The design of the NFT growing beds differs little from the original design that Rod saw at our demo gardens. The exception being that he decided to build his benches a little stronger than ours and has them supported on very substantial treated timber posts. Wide pathways and service roads allow for efficient operation of the site—a fact often overlooked by those who try to

fit too much growing facility into a given area.

I asked Rod whether there were any special aspects he had learned in his nearly 15 years of operation. His answer was, in a word, cleanliness. This statement made sense to me. Even more, when I asked "What water supply do you use?" he replied, "Just normal town water supply."

He added: "Over the years, and because various people suggested it could give us an advantage, we have used ultraviolet sterilizers for a while, then injected ozone, and also for a while introduced additional chlorine. But the bottom line was that we obviously never had a problem to begin with due, I think, to the dedication to cleanliness in every aspect of the operation, so ultimately did nothing special to the water supply at all and still have no problems."

I also asked Rob whether he had experienced any troubles with the hydroponic side of the business. "Not at all. I decided to follow the conventions that had been pretty well established in NZ before I started. I used to purchase all my nutrient mix from your company when you were there. I still purchase the same formula from the new owners. I mean, why try fixing it if it's not broken! The world is full of people trying to reinvent the wheel! Hydroponics is just a very good way of growing. It gives me control of my production and allows me to adjust the conductivity to suit my local environment and climatic changes."

Do you spray? "Our philosophy is not to spray. However, we are realists and accept that every now and then, mainly due to climatic conditions, we are forced to apply a minimal protectant against fungal disease. Having said that, don't forget that all our product gets washed twice and sanitized, and never gets harvested within a withhold period."

He continued: "Compliance and its associated costs are an ongoing burden for all people in business. And then there are costs that you can have no control over such as the current rise in the price of fuel. I decided that my small fleet of trucks was becoming a burden, so after some research I decided that a sensible way for me to keep transport costs down was to take advantage of some of the great

deals that vehicle manufacturers are offering. We have just put this small van on the road after we insulated the load space and installed a refrigeration chiller. This van cannot carry the same payload as the larger trucks. But it has a 150,000 km (93,208 miles) warranty with a service check every 20,000 miles, is very economical to run and is second to none for comfort and ease of driving. If we replace it after three years service, we have had no major expense other than tires and fuel to worry about—a big difference to the costs of running light trucks!"

I asked Rod if he had any tips he could give me to pass on to our readers. "Well, I don't set myself up as any sort of guru, but if you want to go into small business, then I think it is important for you to be in as much control of your own destiny as is possible. One other thing which I believe is very important is that you develop a brand rather than try to develop a business based upon your personality."

Please explain, Rod! "Well, too often I have seen people set up great little businesses, and when they come to retire and sell the business people say but you are the business and the business will not be the same when you have gone. My take on it is if I build the business on our Mr. Salad brand (aka SunValley Produce Ltd.) rather than try at any point to introduce myself or my name, then when the business passes on to new ownership, which it inevitably will, then it can carry on trading without the slightest of hiccups." I had to say this again made perfect sense to me.

To finish this story, I must have a slight grin at Rod's business card. The question is, What does "QBE" after his name mean? Many, myself included, immediately think it's got to be "Queens something something." In the end, I for one had to give in and say I've got no idea but assume it's an award of some kind.

Not even close. Rod said those three letters stand for "Qualified By Experience." That said it all for me. 🍀

Rob Smith is a regular contributor to Growing Edge.

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