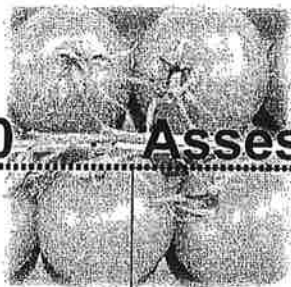


10 Assessment



The teacher-marked activity in each booklet is designed to be a progress test that will give you an indication of how your learning is progressing. You should revise the work in this booklet before you do this assessment.

Read the extracts and answer the questions on each one.

1

The colour purple

The Rosemark Lavender Farm is a 4.4 ha property close to Cambridge. The farm has been planted with 7500 plants of the lavender variety *Lavendula intermedia x Grossa*, a type of French lavender crossed with a type of English lavender. This variety was developed specifically for its high yield of oil and long flower stems. As lavender needs good drainage, the bushes were planted on ridges to overcome the moist, heavy soil at Rosemark. There is no need for an irrigation system and, as lavender is relatively pest and disease resistant, sprays are seldom used.

Harvest is labour-intensive and begins around November. From November to December fresh lavender goes to the florists. This is followed by dried lavender on the stem. Lavender oil is produced next and from late February to March the dried purple flowers are rubbed off the stems for use in products such as lavender pillows.

If trials on some products are successful, lavender growers could have an export market eagerly awaiting the fruits of their crops. Rubbed lavender, which resembles blue rice, is sought after. The New Zealand lavender industry is new, and is not yet able to fill demand from overseas markets such as Japan and America. The New Zealand Lavender Oils Association recently received a call from an exporter wanting between 500 kg and a tonne of lavender rubbings, an order New Zealand's growers could not supply. The association has 90 members, only a few of whom grow large amounts of lavender.

Around 1700 litres of lavender oil are imported annually to fulfil New Zealand's own demands, but this is of variable quality. The oil New Zealand growers do produce is aimed at the very high quality, upper end of the market.

- a List the market opportunities for the lavender grown at Rosemark Lavender Farm.
- b Select two of the market opportunities for lavender you listed in (a) and match one different attribute of the variety grown to each market opportunity.

High country to high fashion



New Zealand is a small producer of merino wool by world standards. For more than 150 years, New Zealand's merino wool was invisible, sold into a world commodity market dominated by high-volume producers such as Australia. It was usually blended with other wools and so the New Zealand clip had no identity of its own and no influence in the marketplace.

The 500 merino growers became increasingly disillusioned with fluctuating prices, diminishing returns and the then New Zealand Wool Board which they considered was not adequately representing their sector of the wool industry. In 1995 the growers decided to take control of their own destiny and so Merino New Zealand Inc. was formed. Merino New Zealand's strategy was simple: to lift merino fibre out of the commodity basket, identify and differentiate it, aiming at the highest end of the international fashion market.

New Zealand's merino fibre is superior to other merino fibre in terms of purity, colour and strength. It is produced in an alpine growing environment where the natural vegetation and clean, crisp air offer specific advantages. It is produced by a relatively small number of dedicated growers. These qualities, plus the uniqueness of this scarce product, are built into the New Zealand Merino brand.

Merino New Zealand neither buys nor sells product. It sets out to identify potential customers and to identify and understand the needs of the consumer. Research into the requirements of spinners, weavers, knitters, designers and retailers in different countries is continuous in order for growers to produce material that meets clearly defined needs. Discussions with fashion designers and high income earners, who are used to buying branded products, highlighted the need to develop the New Zealand Merino brand, known as the Merino Marque. If the brand is used on garments the wool content must be 100% New Zealand Merino. The Marque and other promotional material are used at trade and fashion shows, and industry events.

Merino New Zealand has released figures projecting a 57% rise in wool prices during the 1999/2000 season, which equates to an \$80 000 increase in income for growers. There is a growing demand for the 20 micron wool New Zealand produces and, with the reduced availability of Australian wool of similar fineness, the outlook is positive.

- Describe the main intention of Merino New Zealand.
- How did Merino New Zealand respond to the problem of blending NZ merino wool with wools from other countries?
- In developing the brand known as the Merino Marque, state how Merino New Zealand has:
 - made the brand appealing
 - ensured that a consistent message is given?



3

New Zealand Argues for Lamb Tariff Removal

Tariffs and quotas imposed on lamb imports into the United States should be immediately removed, a US International Trade Commission (ITC) hearing has been told. The ITC hearing is part of a review of the protectionist measures imposed by the US to help their domestic lamb industry adjust to competition from imports.

However, the New Zealand government's submission to the panel told how the tariffs imposed on imported lamb had done nothing to help the long-term viability of the US lamb industry. Consumers had also been disadvantaged through having to pay higher prices for lamb. It also noted that US lamb consumption has been declining recently – in part due to the restrictions being placed on importing lamb into the US market.

- a Describe the difference between a tariff and a quota.
- b What are tariffs and quotas intended to do for the country that imposes them?
- c Give two reasons for the recent decline in lamb consumption in the USA.
- d Why would this decline in lamb consumption be of concern to both New Zealand and US lamb producers?
- e Describe two ways lamb sales/consumption in the US market could be increased.

Growers Go for New Plum Cultivars

New varieties of plums – most of them bred overseas for size and looks – are set to be released to nurseries and orchardists. The coordinator of a growers' committee working on new varieties of stonefruit, John Morton, said while the old varieties had a lot going for them, they didn't have what the market wanted. "Omega' is hard to beat for flavour and other plums have a lot of appeal," he said. "But they don't have the size the market wants."

The new varieties include 'Black Amber', which is large with amber flesh and a dark skin. 'Angelino' has sweet yellow flesh and 'Flavour King' has yellow-red flesh with a distinct 'Santa Rosa' flavour coming through. 'Flavour Rich', a cross between a plum and an apricot, has reddish black skin, firm yellow-red flesh and a unique flavour. Another new cultivar, 'Fortune', had export possibilities and was already grown in New Zealand, but so far there hasn't been enough to supply the domestic market.

Extending the season far later than any present commercial plum was 'Royal Star', which was large with a mild flavour. This new cultivar could take the New Zealand summerfruit season through to May, providing sales for seven months of the year. At present, it is limited to around four months due to the perishable nature of the fruit.

- a List three plum attributes required by the market.
- b How are New Zealand growers attempting to supply plum varieties with the desired attributes?
- c Why is the selling for New Zealand grown plums presently limited to four months of the year?
- d From the growers' point of view, what benefits are there to extending the season to possibly seven months a year?



Your teacher will mark your work.

Throughout this year it is very important that you keep up to date with information on the marketing of tomatoes and lamb.

Keep a scrapbook where you put information that you get from the media.

Your exam at the end of the year may ask you about recent (in the last year) developments.