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An Investigation of the Loss in Value Attributable to Bruising for the Postharvest Handling System of Apples

A thesis presented in partial fulfilment of the requirements for the degree of Master of Applied Science in Agricultural Systems and Management at Massey University

Hamish Jackson
1997
ABSTRACT

Bruising has been identified as one of the major sources of harvest and postharvest fruit damage in New Zealand operations. Using Porter’s (1985) value system as a framework, a model was developed to investigate the value of apples lost due to bruising from harvest to ship-side, in the Hawkes Bay District. The cost of bruising was identified using the model for the apple varieties Braeburn, Fuji, Granny Smith, Pacific Rose™, and for both large and small packhouse based operations.

The initial problem statement was developed by applying the “rich” pictures approach which is part of Checkland’s (1975) soft systems methodology. To achieve the research objectives, two case studies based on three orchards and two packhouses were investigated to model the value system for apples. The first case study involved two large orchards supplying a large commercial packhouse that packed more than 350,000 TCEs per season. The second study involved a small orchard, that supplied its own on-orchard packhouse, which packed less than 100,000 TCEs per season. Two value systems were developed for the fruit handling systems of the two case studies.

An important factor in calculating the value of fruit on the orchard was the inclusion of an allowance for the grower’s return on equity. The value system began once the on-orchard costs of producing apples, including operating costs, fixed costs and return on equity (set at 20%), were covered. Once the initial value of fruit had been established, commercial rates for picking, trucking, and other steps in the processing and distribution chain, were used to establish the value system. This approach enabled the losses attributable to bruising to be costed. Losses increased through the system steadily and were greatest at the market end of the value system than on the orchard. Losses due to bruising, up until and including packing, were found to be much higher for the grower than for any other participant in the value system. This was because the grower forfeited export earnings, as well as paying the direct costs of producing and handling reject fruit. For the Braeburn, Fuji, and Pacific Rose™, varieties the total cost of 1% bruising was equivalent to approximately a 3% loss in export earnings. The loss in value attributable to bruising for Pacific Rose™ was more variable due to limited amount of data available collected. The total cost for 1% bruising of the most bruise susceptible variety, Granny Smith, was estimated to exceed 4% of export earnings.

The total loss to the growers of the apple industry needs to be minimised to ensure the growth of the industry. Since the growers are suffering high losses of returns and small, if any, return on equity due to fruit bruising, it is unlikely that the growers can afford to invest in strategies that can reduce bruising. If new strategies are to be implemented, the returns need to surpass the investment made.

Keywords: Value system, Porter process, bruising, fruit value.
Title: An investigation of the loss in value attributable to bruising for the postharvest handling system of apples.
Author: Hamish Jackson, 1997.
Degree: Master of Applied Science.
ACKNOWLEDGEMENTS

This research was supervised under the ever vigilant eye of Ewen Cameron, of the Department of Agricultural and Horticultural Systems Management, and Dr. Linus Opara of the Department of Agricultural Engineering. Many thanks to them for their extreme patience, excellent support, and perseverance which helped me complete this work. I cannot thank them enough for the many late nights of correcting they provided me, and I hope this work will help to dispel their belief, that I am totally linguistically challenged. Thank goodness for spell check on the computer, otherwise they would have really believed I was beyond help.

Thanks to Catherine Richardson of ENZA New Zealand (International) in Hastings, who provided assistance by giving me a list of contacts in the district. I greatly appreciate the cooperation of the growers and packhouse operators who participated in this study by providing their valuable time.

Thanks to Massey University, and the Academic Board, for providing financial assistance by approving my recommendation for the Helen E Akers Scholarship.

Many, many thanks to my parents, and my in-laws, for providing support (moral and nutritional), and financial assistance when most needed.

A very special thanks to my wonderful wife Amy, for all her support and believing in me.

THANK YOU EVERYONE!
# TABLE OF CONTENTS

ABSTRACT .......................................................... ii
ACKNOWLEDGEMENTS ............................................. iii
LIST OF TABLES ................................................... vii
LIST OF FIGURES ................................................ ix
LIST OF APPENDICES ............................................. x

Chapter One  New Zealand's Pipfruit Industry .............. 1

1.1 Introduction .................................................. 1
1.2 Development of the Apple Industry ......................... 1
   1.2.1 Some Characteristics of the Apple Industry ............ 2
   1.2.2 Supplier Payments ....................................... 3
1.3 The Postharvest Chain ....................................... 4
   1.3.1 Field Operations ......................................... 4
   1.3.2 Transportation ........................................... 6
   1.3.3 Packhouse Operations .................................... 7
   1.3.4 Packaging ................................................ 8
   1.3.5 Coolstore Operations .................................... 11
1.4 Fruit Bruising ............................................... 11
1.5 Thesis Outline ............................................... 13

Chapter Two  Rich Pictures and the Problem Statement Development ..... 14

2.1 Introduction .................................................. 14
2.2 Rich Pictures ............................................... 15
2.3 Rich Picture Description .................................... 16
   2.3.1 The Orchard ............................................. 17
   2.3.2 The Packhouse ........................................... 20
   2.3.3 The Researcher ........................................... 22
2.4 Problem Statement and Research Objectives ................. 24
Chapter Three  Literature Review

3.1 Introduction 26
3.2 Cases Studies 27
3.3 Data collection 29
  3.3.1 Documentation 30
  3.3.2 Interviews 30
3.4 Models 31
3.5 Spreadsheets 33
3.6 The Value Chain 34
3.7 What is a Bruise? 37
3.8 Bruising 38
3.9 Bruise Susceptibility 39
3.10 Bruise Recovery 40
3.11 Bruise Observations 40
3.12 The Handling System 42
  3.12.1 Cultural Practices 43
  3.12.2 Harvesting 44
  3.12.3 Transportation 47
  3.12.4 The Packhouse 51
  3.12.5 Packaging 54
  3.12.6 Storage 55
  3.12.7 Shipping 56
3.13 Additional Costs of Bruising 56
3.14 Bruising Reported in the Literature 57
3.15 Summary 58

Chapter Four  Research Method 59

4.1 Information Collection 59
4.2 Data Analysis 62
4.3 Presentation of Results 65
## Chapter Five  Results and Discussion

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Introduction</td>
<td>67</td>
</tr>
<tr>
<td>5.2</td>
<td>Case Study Descriptions</td>
<td>67</td>
</tr>
<tr>
<td>5.2.1</td>
<td>Case Study One: Two Large Orchards Supplying One large Packhouse</td>
<td>67</td>
</tr>
<tr>
<td>5.2.2</td>
<td>Case Study Two: One Small Orchard Supplying a Small Packhouse</td>
<td>71</td>
</tr>
<tr>
<td>5.3</td>
<td>Bruising Percentages in Real Terms</td>
<td>73</td>
</tr>
<tr>
<td>5.4</td>
<td>Production Costs</td>
<td>76</td>
</tr>
<tr>
<td>5.4</td>
<td>Actual Value of Fruit Passing Through the Handling System</td>
<td>80</td>
</tr>
<tr>
<td>5.5</td>
<td>Loss in Value Attributable to Bruising Calculated for the Value System</td>
<td>84</td>
</tr>
<tr>
<td>5.6</td>
<td>Losses in Value Attributable to Bruising Calculated using Bruising Levels Reported in the Literature</td>
<td>88</td>
</tr>
<tr>
<td>5.7</td>
<td>Cost of Bruising on a per Carton Basis to the Supplier</td>
<td>90</td>
</tr>
<tr>
<td>5.8</td>
<td>Summary</td>
<td>93</td>
</tr>
</tbody>
</table>

## Chapter Six  Conclusion

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Introduction</td>
<td>94</td>
</tr>
<tr>
<td>6.2</td>
<td>The Apple Value System</td>
<td>94</td>
</tr>
<tr>
<td>6.3</td>
<td>The Loss in Value Attributable to Bruising</td>
<td>96</td>
</tr>
<tr>
<td>6.4</td>
<td>Loss in Value using Bruise Levels Reported in Literature</td>
<td>98</td>
</tr>
<tr>
<td>6.5</td>
<td>Total Cost of Bruising to the Supplier</td>
<td>99</td>
</tr>
<tr>
<td>6.6</td>
<td>Recommendations and Opportunities for Further Research</td>
<td>100</td>
</tr>
<tr>
<td>6.7</td>
<td>Different Orchard Management Structure for Fruit Flow</td>
<td>103</td>
</tr>
</tbody>
</table>

## REFERENCES

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>106</td>
</tr>
</tbody>
</table>

## APPENDICES

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>116</td>
</tr>
</tbody>
</table>
**LIST OF TABLES**

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Type of packaging and the count size of fruit they hold.</td>
<td>10</td>
</tr>
<tr>
<td>3.2</td>
<td>Relevant situations that have to be considered for different research procedures.</td>
<td>27</td>
</tr>
<tr>
<td>3.3</td>
<td>Bruise susceptibility of apple varieties.</td>
<td>39</td>
</tr>
<tr>
<td>3.4</td>
<td>Bruise visibility of five different apple varieties following standard treatment.</td>
<td>41</td>
</tr>
<tr>
<td>3.5</td>
<td>Table of bruising percentages that Bollen et al (1995) summarised from Burton et al. (1989).</td>
<td>48</td>
</tr>
<tr>
<td>3.6</td>
<td>Table summarising the range of bruising that occurs at various points of the apple handling system.</td>
<td>57</td>
</tr>
<tr>
<td>5.7</td>
<td>Some packhouse and orchard characteristics in Case Study One.</td>
<td>71</td>
</tr>
<tr>
<td>5.8</td>
<td>Percentage of total crop bruised based on 5% of packhouse reject rate, at packouts from 40% to 80%.</td>
<td>74</td>
</tr>
<tr>
<td>5.9</td>
<td>Percentage of rejects attributable and the corresponding percentage of total crop rejected because of bruising for each of the three Case Study Orchards.</td>
<td>74</td>
</tr>
<tr>
<td>5.10</td>
<td>Calculated costs per TCE for each of the four varieties to be produced, harvested, etc., through the value system for the large and small packhouse systems.</td>
<td>77</td>
</tr>
<tr>
<td>5.11</td>
<td>Calculated accumulated costs per TCE for each of the four varieties to be produced, harvested, etc., through the value system for the large and small packhouse systems.</td>
<td>80</td>
</tr>
<tr>
<td>5.12</td>
<td>Average grower return for export fruit for the 1995/96 season.</td>
<td>81</td>
</tr>
<tr>
<td>5.13</td>
<td>The real value of fruit per TCE for the four varieties as they progress through the value system. The value starts with the ENZA payment, then moves back to the calculated value of the fruit as it hangs on the tree prior to harvest.</td>
<td>82</td>
</tr>
<tr>
<td>5.14</td>
<td>The real value of fruit per TCE for the four varieties while they progress through the value system. The value starts with the ENZA payment, then moves forward to the value of the fruit as it sits at the port of export.</td>
<td>83</td>
</tr>
</tbody>
</table>
Table 5.15  Table illustrating the difference between the accumulated real value of a TCE, and the accumulated calculated value of a TCE, when fruit arrives ship side at the port of export. 84

Table 5.16  The loss in value attributable to bruising for Braeburn, for the large packhouse and its suppliers, for different levels of bruising as fruit passes through the value system. 85

Table 5.17  The loss in value attributable to bruising for Fuji, for the large packhouse and its suppliers, for different levels of bruising as fruit passes through the value system. 85

Table 5.18  The loss in value attributable to bruising for Granny Smith, for the large packhouse and its suppliers, for different levels of bruising as fruit passes through the value system. 86

Table 5.19  The loss in value attributable to bruising for Pacific Rose, for the large packhouse and its suppliers, for different levels of bruising as fruit passes through the value system. 87

Table 5.20  Using values reported in the literature: the losses in value attributable to bruising for three different bruise levels occurring on the orchard until fruit has passed through the packhouse, in the large packhouse system. 89

Table 5.21  The accumulated total cost of a bruised TCE of fruit to the supplier as it progresses through the handling system to the point of packing for each of the four varieties. 91

Table 5.22  Equivalent percentage of export income lost due to the total cost of bruising, opportunity cost and production costs from “Orchard” up until and including “Packing”, for the three case study orchards. 92
LIST OF FIGURES

Figure 1.1 Diagrammatic model of the apple postharvest handling system used in New Zealand. 5

Figure 1.2 A graph representing the average grower payout per TCE of export for each count size in a 18.3 kg standard TCE for the 1996 season. 10

Figure 2.3 Diagram depicting the interactions between the three rich pictures. 17

Figure 2.4 Rich picture depicting the Orchard situation. 19

Figure 2.5 Rich picture depicting the Packhouse situation. 21

Figure 2.6 Rich picture depicting the Researcher situation. 23

Figure 3.7 Convergence of multiple sources of evidence to undertake a single study. 30

Figure 3.8 The Value System as described by Porter, and an adapted model representing the New Zealand pipfruit industry value system. 34

Figure 3.9 The generic value chain. 35

Figure 3.10 1 cm² for bruise area allowable on fruit. 37

Figure 3.11 Typical problem transfer points on a New Zealand apple packing line. 52

Figure 3.12 Bulk break cartons stacked on top of each other, illustrating the problem which occurs when a carton collapses under the weight of other cartons above. 55

Figure 4.13 The differences between the value of the fruit, the total cost including bruising, and the total cost with reduced bruising. 64

Figure 6.14 The effect of differing management practices on the possible profit margin for the supplier. 104
LIST OF APPENDICES

Appendix 1 List of authors, the year they published, and the bruising they reported. 116

Appendix 2 Calculation of total cost. 119

Appendix 3 Hypothetical Orchard example for total cost where fruit is transported off the orchard to a commercial packhouse. 120

Appendix 4 Table 1 Accumulated production costs per TCE as meet by each orchard. 121
Table 2 Individual production costs for the various stages in the apple handling system for each orchard. 121

Appendix 5 Calculated value of fruit as it passes through the value system per TCE. 122

Appendix 6 a The total cost of bruising per TCE ($/TCE) for Orchard One and Orchard Two at a particular point in the handling system. 123
b The total cost of bruising per TCE ($/TCE) for Orchard Three at a particular point in the handling system. 124

Appendix 7 a The loss in value attributable to bruising for Braeburn per TCE, as it passes through the value system, for varying bruise percentages. 125
b The loss in value attributable to bruising for Fuji per TCE, as it passes through the value system, for varying bruise percentages. 126
c The loss in value attributable to bruising for Granny Smith per TCE, as it passes through the value system, for varying bruise percentages. 127
d The loss in value attributable to bruising for Pacific Rose™ per TCE, as it passes through the value system, for varying bruise percentages. 128