Vegetables New Zealand Inc.

AGM and Conference Papers
12th – 14th July 2017
ASB Baypark Stadium, Tauranga

2017

AGM and Conference Papers
12th – 14th July 2017
ASB Baypark Stadium, Tauranga
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VNZ (Product Group) Annual General Meeting 2017

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VNZI (Incorporated Society) Annual General Meeting 2017

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Vegetables New Zealand Inc.
2017 ANNUAL GENERAL MEETING
&
Horticulture Conference 2017
ASB Baypark Stadium, 81 Truman Lane,
TAURANGA

A G E N D A

Wednesday 12 July

11:00am   VNZI / Crop Advisory Group (CAG) Meeting – Room 4

12:00pm   Lunch

1:00pm   VNZ and VNZI ANNUAL GENERAL MEETINGS 2017 (AGM) – Room 2
        • Welcome and Introductions
        • Apologies / Bereavements
        • Proxies and Procedures

1:05pm   Commence Vegetables NZ Product Group - ANNUAL GENERAL MEETING (AGM)
        a.  VNZ AGM Draft Minutes of 3 August, Nelson
        b.  VNZ Accounts 2016 / 2017
        c.  VNZ Resolution 1 (2017 / 2018 Levy Rate)

1:15pm   Conclude VNZ Product Group 2017 AGM

1:15pm   Commence Vegetables NZ Incorporated - ANNUAL GENERAL MEETING (AGM)
        a.  VNZI AGM Draft Minutes of 3 August 2016, Nelson
        b.  VNZI Chairman’s Annual Report 2017
        c.  Budgets - 2016/17 and 2017/18
        d.  Budget Commentaries – 2016/17 and 2017/18
        e.  Draft Financial Statements for Year Ended 31 March 2017
        f.  Appoint Auditor for Year Ending 31 March 2018

1:30pm   Confirmation of Vegetables NZ Inc. Board Nominations
        • Chairman
        • Directors

1:45pm   Vegetables NZ Inc. General Business
        a.  Matters from the meeting
        b.  Motion 2016 Audited Financial Statements

2:00pm   Conclude Vegetables NZ Inc. 2017 Annual General Meeting
Horticulture Conference Programme

2:00-2:30pm  Afternoon Tea

2:30pm-4:30pm  Concurrent Sessions
- Investigating Clean Technologies -
  Dr Paul Bennett / Dr Florian Graichen
- What’s Missing? -
  Jack Keeys / Jeannette Rea / Greg Turrell / Linda Sissons
- Innovation for Sustainability -
  Jason Wargent

4:30pm-6:00pm  Horticulture NZ Annual General Meeting (AGM)
  – Lions Foundation Centre (downstairs)

6:00pm-7:30pm  Welcome Function – Lions Foundation Centre
  (Sponsored by United Fresh New Zealand Incorporated)

7:30pm-11:00pm  VEGETABLE INDUSTRY DINNER – ASB Stadium Lounge

Thursday 13 July

8:00am  Registration continues

9:00am  Conference Opening and Introductory Comments

9:15am  Platinum Sponsor’s Address – Steve Sexton

9:30am-10:30am  The New Consumer Focus
  Dr Anna Campbell
  Mel Auld

10:30am-11:00am  Morning tea

11:00am-12:00pm  Biosecurity Border Update
  Steve Gilbert
  Allan Pollard (BMSB Council Chair)

Women in Horticulture
  Teresa Ciprian
  Marc Elliott
  Rachel Taulelei
  Sarah McCormack
12:00pm-1:00pm  **The Future Disruptors (Panel)**  
*Tiaki Hunia*  
*David Powell*  

1:00pm-2:00pm  **Lunch**

1:30pm-4:00pm  **Field Trips**  *(maximum capacity 180 people)*  
*Field Tours of:*  
*Plant & Food Research*  
*Eastpack Packhouse*  
*BayGold Orchard*

4:00pm-5:00pm  **Possible signing of the Brown Marmorated Stink Bug Operational Agreement**

2:00pm-5:15pm  **Horticulture New Zealand Leadership Programme and Young Grower of the Year Finalist Alumni Event**  *(by invitation only)*

5:30pm-6:30pm  **Pre-dinner drinks**

6:30pm  **Conference Dinner & Awards**

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**Friday 14 July**

8:30am  **Tea and coffee**

9:00am-10:15am  **State of the Nation – Dr Roland Fumasi**

10:15am-10:45am  **Morning Tea**

10:45am-11:45am  **The Future of Compliance**  
*Jacqueline Rowarth*  
*Maureen O’Callaghan*  

11:45am-12:45pm  **The Future for Trade**  
*Lisa Winthrop*  
*Mike Peterson*  
*Clare Kelly*  

12:45pm-1:15pm  **Conference Closes**

1:15pm  **Lunch**
Chairman Andre de Bruin presided over the 32 attendees.

1. **Welcome and Introductions**
   The Chairman welcome everyone and acknowledged and thanked valued sponsors for without their support and help it would be impossible to run an event such as this.

   **Platinum** - Plant & Food Research.
   **Gold** - United Fresh New Zealand; T&G Global Limited; Countdown Supermarkets.
   **Silver** - Rabobank New Zealand Ltd;
   **Bronze** - Drapenet Pty Ltd; Huhtamaki NZ Ltd; SGS; Viscount; Zespri; Maersk Line; Etec Crop Solutions; Primary ITO; Fruit Logistica; AsureQuality; Seminis and De Ruiter; Hill Laboratories; Vinea; MG Marketing.

   **Support Sponsors** - Horticentre; Aon; Agrichain Centre; Radfords Software; Waimea Nurseries; Info Power.

   **VNZI Directors present:** Andre de Bruin (Chairman); Mike Parker (Vice Chairman); Stuart Davis; Mark O’Connor; John Murphy; Kiran Hari; Allen Lim; Leanne Roberts.

   **Also in attendance were:** John Seymour (VNZI General Manager); Lynda Banks (Business Coordinator VNZI, PVNZ, TNZI).

   **Apologies:**
   Tony Reynolds       Julian Raine
   David Barton       Mike Chapman
   Garry Yee           Jim Hari
   Reupena Kovati    Patrick Murphy
   Bruce Nicholls     Emma Clark
   Sue Deadman        Raymond Jivan
   Grant Ryan          Bharat Jivan
   Patch Hari          Robin Oakley

   **IT WAS RESOLVED** that the apologies be accepted.

   **Mark O’Connor / Amrut Bhana**

   **Bereavements:**
   Allan Lynne – Pukekohe (name unclear)
   There was a minute silence as a mark of respect for the fallen.
The Chairman declared the 2016 Vegetables New Zealand (Product Group) Annual General Meeting open.

Proxies and Procedures: The VNZI Constitution and Rules now require Vegetables NZ as an incorporated society to hold a VNZ (Product Group) AGM and a VNZI AGM. The accounts for each are to be kept separate until the next levy referendum.

There were no Proxies received.

2. VNZ Annual General Meeting

a. VNZ AGM Draft Minutes of 28 July 2015 (Rotorua)
Refer to pages 8 – 13 of the meeting papers.

IT WAS RESOLVED that the Minutes of the 2015 Vegetables New Zealand Annual General Meeting held on 28 July at the Energy Events Centre in Rotorua be taken as a true and correct record.

Amrut Bhana / Allan Noble

There were no matters raised for discussion.

b. VNZ Accounts 2015/16
Refer to page 14 of the meeting papers.

The General Manager explained due to VNZ becoming an incorporated society part way between two levy referendums it was a requirement to keep dual sets of accounts;

IT WAS RESOLVED that the audited VNZ financial accounts for the year ended 31 March 2016 be approved.

Allan Noble / Pravin Hari

c. VNZ Resolution 1 (2016/17 Levy Rate)
Refer to page 15 of the meeting papers.

The Commodity Levies (Vegetables and Fruit) Order 2013 allows a maximum rate for fresh vegetables at 0.30% of the gross sales value at the first point of sale OR FOB value OR notional process value.

At the AGM growers may set any rate up to the maximum for the next calendar year. The current rate is for fresh vegetables at 0.30% of the gross sales value at the first point of sale OR FOB value OR notional process value.

The Board’s recommendation is that the levy rate be set and continue at the maximum for the 2017 year to meet the commitments identified in Vegetables NZ Inc budget.
IT WAS RESOLVED that the 2016/2017 year levy rate for the purposes of the Commodity Levies (Vegetables and Fruit) Order 2013 for fresh vegetables remain at 0.30% of the gross sales value at the first point of sale or FOB value or notional process value.

John Murphy / Mike Arnold

The Chairman declared the 2016 VNZ (Product Group) Annual General Meeting closed at 3:17pm.

Dated this .................................. day of ................................................................. 2017

Chairman – Andre de Bruin
Vegetables New Zealand Incorporated
**Profit & Loss with Budgets & Variances**

**HORTICULTURE NEW ZEALAND INC**  
As At : 31/03/2017

**VEGETABLES NZ**

<table>
<thead>
<tr>
<th>Description</th>
<th>YE 2016</th>
<th>YE 2017</th>
<th>YE 2017</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,166,200</td>
<td>1,214,760</td>
<td>1,112,000</td>
<td>102,760</td>
<td>9.2%</td>
</tr>
<tr>
<td>Expenses</td>
<td>1,166,200</td>
<td>1,214,760</td>
<td>1,112,000</td>
<td>102,760</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Surplus/Deficit</th>
<th>YE 2016</th>
<th>YE 2017</th>
<th>YE 2017</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

Income for Vegetables NZ in Horticulture NZ is from levies. The expense for Vegetables NZ in Horticulture NZ is the transfer of this income to Vegetables NZ Inc.

If Vegetables NZ Inc makes a surplus this is transferred to their Reserves in Horticulture NZ and the income in Vegetables Inc reflects this transfer by being reduced.

**ACCUMULATED RESERVES HELD IN HORTICULTURE NZ**

<table>
<thead>
<tr>
<th>Description</th>
<th>YE 2017</th>
<th>YE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>852,700</td>
<td>874,294</td>
</tr>
<tr>
<td>Transfer to Veg.co.nz from Reserves</td>
<td>-17,391</td>
<td>-60,000</td>
</tr>
<tr>
<td>Surplus/Loss ( Pre Audit)</td>
<td>134,907</td>
<td>38,406</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>970,216</td>
<td>852,700</td>
</tr>
</tbody>
</table>
Vegetables NZ (Product Group) 12 July 2017

**VNZ Resolution 1: 2017 / 2018 Levy Rate**

That the 2017 / 2018 year levy rate for the purposes of the Commodity Levies (Vegetables and Fruit) Order 2013 for fresh vegetables remain at 0.30% of the gross sales value at the first point of sale OR FOB value OR notional process value.

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**Explanatory Information:**

The Commodity Levies (Vegetables and Fruit) Order 2013 allows a maximum rate for fresh vegetables at 0.30% of the gross sales value at the first point of sale OR FOB value OR notional process value.

At the AGM growers may set any rate up to the maximum for the next calendar year. The current rate is for fresh vegetables at 0.30% of the gross sales value at the first point of sale OR FOB value OR notional process value.

The Board’s recommendation is that the levy rate be set and continue at the maximum for the 2017 / 2018 year to meet the commitments identified in Vegetables NZ Inc budget.
The Chairman declared the 2016 Vegetables New Zealand Incorporated Annual General Meeting open.

a. **VNZI AGM Draft Minutes of 28 July 2015 (Rotorua)**
   Refer to pages 16 – 19 of the meeting papers.

   **IT WAS RESOLVED** that the Draft Minutes of the VNZI AGM held on 28 July 2015 in Rotorua be taken as read and confirmed as a true and correct record of that meeting.

   Amrut Bhana / Mike Arnold

b. **VNZI Chairman’s 2016 Annual Report**
   Refer to pages 20 – 25 of the meeting papers.

   The Chairman gave a brief overview of the last year.

   Key points:
   - This year has seen a transition in the VNZI Board with the retirement of two members, Keith Vallabh and Chris Sinnott, each with twenty years of service; the Chair acknowledged the extensive support and service both had provided to the Board over many years;
   - To bridge the resulting gap left on the Board Allen Lim, Kiran Hari and Leanne Roberts were co-opted to the Board and the Chair thanked them for their contribution over the interim period;
   - The journey from Vegetables NZ product group to Vegetables NZ Incorporated is far more complicated than a simple name change; the process will not be fully complete until after the 2018 Levy Referendum is in place and hence the need for holding both AGM’s; when fully completed it will ensure the organisation is fit for purpose for the years ahead;
   - The Chairman thanked Board members, John Seymour General Manager and Lynda Banks Business Coordinator for their efforts this year;
   - Finally, a lot of work is undertaken behind the scenes by a wide group of growers who give freely of their land, produce, machinery and especially their time to ensure the projects we undertake are successful for all growers, projects range from promotions through to research, for example the Covered Crop Nutrient Discharge project which has been a real game changer;
The vegetable industry is much stronger and can achieve great things when we work together for the common good of growers;


Refer to pages 26 – 27 and page 31 in the meeting papers.

The new auditors under the new Incorporated Society Rules (Tier 3) made final adjustments to the VNZ Incorporated Profit & Loss recording a Balance to the revenue line at $1,161,585.

Income was reduced by $38,406 being moved to the Balance Sheet and reducing the Income in Advance total in the Balance Sheet and the accrued March Levy allocation of $32,861 (Contract Services Promotion income) being recognised in the Balance Sheet.

Expenses were also reduced by $32,861 (Promotion Expenses) and recognised in the Balance Sheet. This had the effect of reducing both expenses and income to a zero profile as recommended by the auditors.

Key points by line number:

Income:

1. Sales value: Total fresh vegetable sales revenue forecast for 2015/16 was $355m but actual sales for the year were $395m ($365m domestic & $30m Export) $40m higher than forecasted.

8. Total Levy & Income: The actual levy for 2015/16 was $1,232,000 - an increase of $159k (including other income e.g. interest) over the forecasted budget of $1,073,000.

Expenses:

18. Industry R & D expenses were $74k higher due to a new unbudgeted “Nutrient Discharge from Glasshouses” project for $40k and an unbudgeted increase in the funding of the “Great White Butterfly Eradication” project of $40k ($20k in 2015 and $20k in 2016).

26. Meetings and Travel PG Expenditure: were $15K lower due to a reduction in the number of Grower field visits.

39. Office & Communications: were up $21k in total, mostly due to $18k unbudgeted legal and accounting Fees associated with establishment of VNZ becoming and Incorporated Society.

43. Promotions: expenses were $50k higher due to the increased levy income from domestic sales.

45. Total expenses: were up $130k but offset by the additional income of $159k

46. Surplus / Deficit: giving a bottom line surplus income of $37k against a budgeted surplus of $8k.

Note: $30,000 was transferred from the VNZ R & D Reserves as the last part payment of the $90k loan in 2009 from Vegetables.co / Promo.
**Forecast Budget – 2016/2017**

Refer pages 26 and 28 in the meeting papers.

Key points by line number:

1. Sales value: The VNZ Inc. grower sales value forecast is $380M which is $15M less than the $395M of actual sales but $25M higher than the previous year’s forecast of $355M.

8. Total Income & Levy: The levy income of $1,112,000 budgeted for 2016/17 is based on the average between last year’s forecasted levy income of $1,073,000 and last year’s actual income of $1,232,489.

18. Research & Development: Total forecasted R & D expenses have increased by $34k to $461k. This includes an additional budget of $90k for three new R & D projects to align with the updated VNZ Inc. research strategy which includes funding for science based information projects that support NRE (RMA) negotiations. Please note that the two large R & D projects: “Fresher by Sea” (to increase the shelf life of fresh export produce) and the Vapormate project (which is an alternative treatment to Methyl Bromide) will be completed in the third quarter of this year.

26. Meetings and Travel PG Expenditure: Expenses have increased by $5k from an actual of $121,000 to $126,000 this year due to an increase in the Conference budget with an expected increase in attendance numbers.

Note: There has been a recommendation at this year’s AGM that the Chairman’s Honorarium be replaced with Daily Fees for all work and meetings undertaken.

39. Office & Communications: Increased forecast of $16k on $305k for an accumulated increase in staff wages and allocation costs.

43. Promotional: Vegetables.co.nz funding (expense) is forecast to decrease slightly by $5k due to the anticipated reduced total levy income from $1,232m last year to $1,112m. The promotional funding is paid as a percentage of the levy income i.e. more or less levy income equals more or less promotional funding.

45. Total Expenses: Are forecasted to be higher than last year’s actuals by $50,000 from $1,195,000 to $1,245,000.

46. Surplus / Deficit Balance: This results in a forecasted deficit of (minus) -$133,000 subject to actual levy and expense variations. This will be funded from reserves.

Note: Vegetables.co.nz Loan repayment - the final and third payment of $30k has now been repaid from the 2015/16 VNZ Inc. reserves.

Note: Vegetables NZI reserves total $882k as at March 31st 2016

**IT WAS RESOLVED** that the VNZI forecasted budget for 2016/2017 be approved.

Allan Noble / Allen Lim
d. Audited Financial Statements for Year Ended 31 March 2016

The motion: that the audited financial statements for the VNZI Accounts for the year ended 2016 be approved. *(This motion wasn’t tabled, moved or seconded).*

e. Appoint Auditor for Year Ending 31 March 2017

**IT WAS RESOLVED** that BDO Wellington be the appointed auditors for VNZI for the year ended 2017 was approved.

Mike Parker / Allen Lim

Confirmation of Vegetables NZ Inc. Board Nominations

- **Chairman**
  
The Chairman of Vegetables NZ Incorporated was confirmed as **Andre de Bruin** as there were no other nominations received.

- **Directors**
  
  - Chris Sinnott - retired and did not standing for re-election.
  
  - Mike Parker - retired by rotation and was available for re-election and is deemed to be nominated.
  
  - Leanne Roberts (Casual Member) - was available for election and is deemed to be nominated. Nominated by David Ruan and seconded by Allen Lim.
  
  - Kiran Hari (Casual Member) - was available for election and is deemed to be nominated. Nominated by David Ruan and seconded by Allen Lim.
  
  - Allen Lim (Casual Member) - was available for election and is deemed to be nominated.

As there were no other nominations received the General Manager declared:

**Mike Parker** is re-elected and **Leanne Roberts, Kiran Hari and Allen Lim** are duly elected as Directors of Vegetables New Zealand Incorporated.

Vegetables NZ Incorporate - Special Business

Voting was by show of hands and a majority was required for each Resolution and Recommendation to be passed.

a. Resolutions (A – F)

A. That clauses 6.3 and 6.6 of the VNZI Constitution and Rules be deleted and replaced with the amended Clause 6.3 and Clause 6.4 as set out in the meeting papers on page 37.  
   **Approved**

B. That clauses 13.3 and 6.2(e) of the VNZI Constitution and Rules be amended as set out in the meeting papers on page 38.  
   **Approved**
C. That clauses 13.8 of the VNZI Constitution and Rules be amended as set out in the meeting papers on page 39. Approved

D. That clause 13.6 of the VNZI Constitution and Rules be amended as set out in the meeting papers on page 39. Approved

E. That clauses 8.3, 13.3(c), 13.6(h) and 18.4 of the VNZI Constitution and Rules be amended as set out in the meeting papers on page 40. Approved

F. That the General Manager is requested to make any changes to the VNZI Constitution and Rules approved by the AGM and to notify them to the Registrar of Incorporated Societies. Approved

Resolutions (A - F) were approved and there were no Resolutions not approved.

Chairman Andre de Bruin left the meeting at 3:40pm and General Manager John Seymour took the position of AGM Chair.

b. Recommendations (1 and 2)

1. That the honorarium for the Chair be set at NIL for the year ended 31 March 2017 and that the Chair, Directors and other Members are recompensed for work conducted on behalf of VNZI at the half-day rates agreed at the AGM (Clause 1.1 of the Constitution and Rules). Approved

Chairman Andre de Bruin re-joined the meeting at 3:42pm.

2. That the half-day rates at which Members are recompensed for work conducted at the request of the Board on behalf of VNZI remain at the current rates of $250 for the VNZI Chair and $200 for Directors and other Members. Approved

Vegetables NZ Incorporated – General Business

Lex Dillon addressed the meeting and thanked VNZI, TNZI, Onions NZ and the Pukekohe Vegetable Growers Association for his nomination to participate in the Horticulture NZ Board election process. Lex congratulated those who were successful with their campaign and expanded on the lessons learnt from the election process.

Key points:

- To have fresh vegetable representation on the Board it will be necessary to obtain the support of fruit growers and to encourage all fresh vegetable growers to vote and participate in the election process;

- A candidates election campaign needs to start well in advance, or at least six months before elections; the narrow time frame from when nominations closed and actual voting took place was insufficient;
The most enjoyable part of Lex’s campaign was meeting a wide variety of growers however about 90% of them had already voted by the time Lex visited.

There were no other General Business items or meeting matters for discussion.

The Chairman declared the 2016 Vegetables New Zealand Incorporated Annual General Meeting closed at 3:47pm.

Dated this .................................. day of ................................................................. 2017

______________________________
Chairman – Andre de Bruin
Vegetables New Zealand Incorporated
Introduction

It has been an extremely busy year for the management and board of Vegetable NZ Inc. (VNZI). We entered into a new era of government industry collaboration with the signing of the GIA Deed, the Fruitfly Operational Agreement (FFOA) and work developing a Brown Marmorated Stink Bug OA. In Promotions, Vegetables.co.nz has championed our “Kids Can Cook” project and the busy schedule in research continues with a strong focus on VR & I Board projects.

VNZI growers have once again done an outstanding job on farm, with an increase in gate sale values rising to $409m (excluding potatoes, onions and tomatoes) during 2016 / 17. This is up from $250m in 2006, with an average sales increase of over 6% per year for the past 10 years. Well done! This on farm success has flowed through to the VNZI income, ensuring our organisation is on a good financial footing going forward.

The 2016 / 17 financial year featured unusual weather extremes, including a late but hot summer in some regions, then torrential rain for many growers later in the season. These extremes caused very short vegetable supply volumes in some areas, with a number of growers being badly impacted financially. Others who were fortunate to have reasonable crop volumes benefited from the resulting increase in prices. The overall market value was up on the prior year, however the beginning of the new financial year (April 2017) is proving to be a difficult start.

To support the Vegetable Sector’s continued growth in sales value, VNZI manages four key pillars including:

- Fresh vegetable research with increased funding support for the VR & I Board projects and other associated vegetable product groups;
- Science based support information for RMA / NRE compliance negotiations that may impact with grower’s operating practices;
- Improving Biosecurity / GIA pre-border and post-border processes;
- Promotional funding and support to increase the consumption of fresh New Zealand grown vegetables with Vegetables.co.nz.

A key theme in all of these for VNZI is collaboration not replication. VNZI actively seeks out opportunities to coordinate its activities with like-minded groups with common objectives to ensure your levy dollar goes further.

Vegetables NZ Inc. Research & Development

Fresher by Sea: extended shelf life - project:

VNZI co-funded $80,000 with Plant and Food Research (P&FR) for the $300,000 “Fresher by Sea” three year project. This has now been completed and is increasing export capsicum volumes. It has provided a resource of current knowledge around the biology and postharvest responsiveness of the capsicum crop, and the development of best-practice guideline information for the sea freight of capsicums.
Other VNZI R & D projects currently researching:

- Improving Best Soil Management Practices
- Better water usage, surface water and quality management
- Nitrogen levels in soil “Quick Test Module”
- Covered crops nutrient discharge – National template
- Cadmium in leafy greens
- Pests & Diseases in outdoor lettuces
- White Fly control in Covered Crops

Vegetables NZ Inc. and Vegetable Research & Innovation

Tamarixia: - a Bio Control Agent (BCA) - project

VNZI provided co-funding towards the two year project with Market Access Solutionz (MAS) and Plant & Food Research (P&FR). The Vegetable Research & Innovation Board prepared an application to the Environmental Protection Agency (EPA) to allow the importation of the Biological Control Agent (BCA) *Tamarixia* for the control of Tomato, Potato Psyllid on Potatoes, Tomatoes and Capsicums. The application was successful and “ground breaking” for the Vegetable Sector in that this should allow further future imports of BCA’s where appropriate.

P&FR initially imported *Tamarixia* from Koppert in Mexico, under an import permit issued by MPI. However, P&FR found traces of fungal hyphae in the *Tamarixia* and therefore MPI declined the release of *Tamarixia* from containment. Consequently, the first release of *Tamarixia* for the SFF programme has been delayed. The Project Team has agreed to re-import *Tamarixia* from Koppert and re-test for contamination. Then will potentially release another batch of F1 this autumn.

Water quality / food safety in vegetable crops – Project

To understand the risks to vegetable food safety associated with the use of sanitisers in vegetable wash water.

The outcome is to provide guidelines to manage sanitizers in post-harvest situations e.g. for kumara, melons, carrots and broccoli. The Guidelines would include a review of products available and their efficacy in horticultural applications, market acceptance and residue issues and monitoring of dose (type and frequency of tests).

Understanding irrigation water as a risk factor in vegetable food safety – Project:

NZ GAP with VNZ Inc. are providing co-funding support for two projects:

- On-farm and agricultural water assessment of the food safety risk posed by irrigation of high risk crops with run-off water, storm water and various classes of recycled water.
- Indicator organisms in risk assessment: to validate the use of indicator organisms for cost-effective risk modelling and assessment. Presently there is no guidance on what to test for and what limits are acceptable.

The project will link into the outcomes of other projects being carried out by the PMA Fresh Produce Safety Centre. This information will be most useful as a project to inform NZ GAP with guidelines on the management of surface water sources.
The project will have two sub-projects with catchment modelling for water quality assessment and the assessment of risk associated with animal proximity to vegetable production areas. An outcome could be the development of a water quality management system based on catchments and land-use using geo-spatial modelling from which management guidelines can be developed. Currently there are no animal proximity guidelines in NZ GAP.

**Root zone reality (SFF) - Project:**

The Sustainable Farming Fund application was unsuccessful and FAR are now exploring alternative funding options with the VR&I Board committing $60K pa over three years ($180K).

**Overseer greenhouse gas module - Project:**

This project will be completed in March. VR&I funding is not required.

**Vegetable Industry Agrichemical Strategy – PGP Project:**

In 2013, under the VR&I Board the NZ Vegetable Industry Agrichemical Registration Strategy Working Group was formed (hereafter known as “the working group”). The purpose of the working group is to:

- Provide a mechanism for vegetable growers to pro-actively review their use of (existing) agrichemicals and identify suitable new agrichemicals for possible registration in New Zealand.
- Provide a forum to constructively collaborate with industry stakeholders (crop protection companies, government regulators, other agrichemical users) that are involved in agrichemical usage.

This project has now been submitted to PGP for funding with the total cost forecast to be $8.5m over 7 years, of which Vegetables NZ Inc. is co-funding $63k per year. In the interim, further work is being undertaken to fully understand the current use and need for agri-chemicals across all horticultural crops including vegetables.

An updated risk assessment was undertaken for insecticides, fungicides and herbicides based on domestic and international risks, market concerns, compound withdrawals, residues and/or resistance issues. The working group is considering two new aspects for 2017, these are:

1. To develop a guidance document around best practise when using neonicotinoids.
2. Analysing ACVM monitoring non-compliances.

**Biosecurity / GIA**

VNZI signed the MPI / GIA Deed for Biosecurity Readiness and Responses in 2016 and also the Fruit Fly Operational Agreement (FFOA). VNZI are now in negotiations for the Brown Marmorated Stink Bug (BMSB) OA and other OAs that focus on vegetable pests. Through this work we have had far greater direct involvement with MPI and their Biosecurity team than any time in the past.

OAs are documents that outline what readiness and response activities will be undertaken for a pest or group of pests and how these activities will be share funded by both MPI (Government) and the Product groups of the affected crops. Through OAs, the Vegetable Industry will have:

- Joint decision making on preparing for and responding to pest incursions.
- Shared costs of readiness and response activities between Signatories to the GIA Deed including Government.
VNZI is confident that signing up to OAs will improve response preparedness for its priority exotic pests resulting in faster and less costly responses which are more likely to be successful and will minimise the impact on the vegetable sector. Preparedness work done in advance means that decisions are pre-agreed and that the response time is significantly faster.

VNZI OA’s are for pests arriving in New Zealand will have a serious impact on Vegetable Growers’ continued viability. An OA may involve more than one horticulture industry sector where multiple crops are impacted by a particular pest or group of pests so the Vegetable Industry will be a party to a number of OAs.

VNZI assisted with the development of the FFOA and as part of this process, the costs that vegetable growers will pay for fruit fly readiness (surveillance) and responses were predetermined. A work programme for readiness was implemented, initially funded by voluntary contributions from the FFOA signatories, including VNZI, has provided extensive communication on the FFOA with its members over the past three years and is now developing guidelines for entering into other OAs.

During the establishment of the Biosecurity Levy, specific details around paying, use and amount need to be identified. VNZ Inc. will commence a consultation process around this prior to confirming the details of the Biosecurity Levy.

Fresh Vegetable Promotions (Vegetables.co.nz)

VNZI is the largest funder to Vegetables.co.nz. Vegetables.co.nz manages promotional activities for VNZI. Vegetables.co.nz reaches out to inspire and educate consumers and key influencers such as culinary professionals and food writers. It works collaboratively with education providers, retailers, and non-government organisations to promote health messages and best practice in the preparation, cooking and serving of fresh vegetables.

The Vegetables.co.nz website is the cornerstone to keep consumers and key influencers up to date and excited about fresh New Zealand vegetables. In March 2017 Vegetables.co.nz had 9,400 followers on Facebook (compared with 600 May 2015) and over 1,500 receiving the monthly email newsletter. In the past year Vegetables.co.nz has produced seven videos in the classification/meet the grower series and 25 vegetable cookery videos under the “Fuel for Life” campaign under the Heart Foundation.

Kids can Cook Programme

Developing the ability to prepare healthy meals will empower our children to be able to enjoy a nutritious diet within their own budgetary, cultural, social and time constraints over a lifetime. The school curriculum is the most appropriate to teach these cooking literacy skills. The current curriculum provides for this to occur, however a Massey University study of 102 schools teaching years 7 and 8 found very few schools were delivering on this.

The Kids can Cook Programme puts the “cooking of a healthy meal” firmly back into the Intermediate school teaching programme. This will underpin the future health of the nation and ensure we have vegetable consumers into the future. This is an ambitious program, but if successful, it is one where the Government, future children, the community and vegetable growers will all be winners.
Key Activities for VNZI during 2017 / 18 are:

- Manage the VNZI GIA / Operational Agreements and funding negotiations;
- Manage new R & D projects for increased crop yields and cost reduction;
- Initiate new R & D projects to improve controls for pest / virus management;
- Increase RMA research support, especially those related to water and nutrient use;
- Support the “Kids can Cook” programme;
- Increase fresh vegetable promotional activity support and investment in Vegetables.co.nz for the domestic market;
- Provide biosecurity support management – Velvet Leaf Weed, Pea Weevil, Brown Marmorated Stink Bug and Lettuce Aphid, etc.;
- Continue support for the EPA and ACVM agrichemical reassessment programmes;
- Increase financial and resource support for the VR&I Board and the inclusion of fresh vegetable research in jointly managed vegetable projects.

Summary

VNZI has had an extremely busy year but would like to take this opportunity to thank all of our grower members for their support and especially those who have provided significant “in-kind” contributions or resources towards research projects and RMA / NRE initiatives. Also I would like to thank the VNZI Board members and management staff for their input and contribution during the past financial year.

Andre de Bruin  
Chairman, Vegetables NZ Incorporated

John Seymour  
General Manager, Vegetables NZ Incorporated
### Vegetables New Zealand Inc.
#### Income and Budget Expenditure Forecast
1 April 2017 - 31 March 2018 - FINAL

<table>
<thead>
<tr>
<th>Col</th>
<th>2016/17 Forecast</th>
<th>2016/17 Actual</th>
<th>2017/18 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$380m ($340m Dom + $40m Ex)</td>
<td>$409m ($373m Dom + $36m Ex)</td>
<td>VNZI Levy at 0.3% and other income</td>
</tr>
<tr>
<td>2</td>
<td>Income $</td>
<td></td>
<td>$400m ($360m Dom + $40m Ex)</td>
</tr>
<tr>
<td>3</td>
<td>380,000</td>
<td>409,718</td>
<td>Levy Product Group 0.1% of Export &amp; Dom sales 400,000</td>
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<tr>
<td>4</td>
<td>380,000</td>
<td>409,718</td>
<td>Levy R &amp; D 0.1% of Export &amp; Dom sales 400,000</td>
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<tr>
<td>5</td>
<td>306,000</td>
<td>355,844</td>
<td>Levy Promo 0.1% of $360m Dom sales 360,000</td>
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<tr>
<td>6</td>
<td>31,000</td>
<td>39,479</td>
<td>Levy Promo balance 0</td>
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<tr>
<td>7</td>
<td>15,000</td>
<td>20,685</td>
<td>Interest on Reserves &amp; Sundry 30,000</td>
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<tr>
<td>8</td>
<td>$1,112,000</td>
<td>$1,235,444</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Expenses $</td>
<td>Industry Research &amp; Development</td>
<td>Expenses $</td>
</tr>
<tr>
<td>11</td>
<td>57,000</td>
<td>52,347</td>
<td>VR &amp; I Board Management &amp; Administration 55,000</td>
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<tr>
<td>12</td>
<td>70,000</td>
<td>116,166</td>
<td>VR &amp; I Research Project Allocation 0</td>
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<tr>
<td>13</td>
<td>123,000</td>
<td>0</td>
<td>VR &amp; I Research Projects (incl PGP $63k) 275,000</td>
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<tr>
<td>14</td>
<td>90,000</td>
<td>132,404</td>
<td>VNZI Research Projects &amp; Proposals 40,000</td>
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<tr>
<td>15</td>
<td>72,000</td>
<td>9,495</td>
<td>VNZI Research Industry development 0</td>
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<td>16</td>
<td>30,000</td>
<td>31,174</td>
<td>GIA / MPI Bio-security Readiness 30,000</td>
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<tr>
<td>17</td>
<td>19,000</td>
<td>17,578</td>
<td>MAS Export, PMAC, GIA, &amp; Consultancy 54,000</td>
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<td>18</td>
<td>$461,000</td>
<td>$359,164</td>
<td>$454,000</td>
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<td>19</td>
<td>Meetings &amp; travel PG Expenditure</td>
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<tr>
<td>20</td>
<td>40,000</td>
<td>41,250</td>
<td>Conference VNZI AGM - Tauranga 40,000</td>
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<td>21</td>
<td>0</td>
<td>9,167</td>
<td>Honorarium 0</td>
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<td>22</td>
<td>18,000</td>
<td>35,439</td>
<td>VNZI meetings Travel 35,000</td>
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<td>23</td>
<td>47,000</td>
<td>29,516</td>
<td>VNZI meetings Daily Fees (Chair &amp; Directors) 45,000</td>
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<tr>
<td>24</td>
<td>13,000</td>
<td>2,884</td>
<td>Other Director meetings NZGAP, Veg.co. etc 20,000</td>
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<tr>
<td>25</td>
<td>8,000</td>
<td>22,047</td>
<td>VNZI Grower / Levy visits (funded by promo levy) 14,000</td>
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<tr>
<td>26</td>
<td>$126,000</td>
<td>$140,303</td>
<td>$154,000</td>
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<tr>
<td>27</td>
<td>Office &amp; communications</td>
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<td></td>
</tr>
<tr>
<td>28</td>
<td>55,000</td>
<td>51,989</td>
<td>Office Overheads &amp; Levy collection 55,000</td>
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<tr>
<td>29</td>
<td>27,000</td>
<td>29,996</td>
<td>NZ Grower magazine Contribution (Review April 2018) 26,000</td>
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<td>30</td>
<td>1,000</td>
<td>158</td>
<td>Printing &amp; Stationary 1,000</td>
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<tr>
<td>31</td>
<td>2,000</td>
<td>2,370</td>
<td>General Expenses 2,000</td>
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<td>32</td>
<td>3,000</td>
<td>1,176</td>
<td>Mail out Postages (incl membership &amp; levy) 5,000</td>
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<tr>
<td>33</td>
<td>6,000</td>
<td>6,301</td>
<td>Photocopying 6,000</td>
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<tr>
<td>34</td>
<td>191,000</td>
<td>166,719</td>
<td>Staff salaries (incl support staff allocation) 185,000</td>
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<tr>
<td>35</td>
<td>15,000</td>
<td>9,600</td>
<td>District Association Capitation / Grants 15,000</td>
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<tr>
<td>36</td>
<td>4,000</td>
<td>4,087</td>
<td>Telephone &amp; Tolls 4,000</td>
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<tr>
<td>37</td>
<td>10,000</td>
<td>727</td>
<td>Inc. Consultation / legal / accounting / audit advice 10,000</td>
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<tr>
<td>38</td>
<td>0</td>
<td>3,142</td>
<td>VNZ Website Update 0</td>
</tr>
<tr>
<td>39</td>
<td>7,000</td>
<td>4,130</td>
<td>VNZ Inc Audit, Annual renewal &amp; database update 7,000</td>
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<tr>
<td>40</td>
<td>$321,000</td>
<td>$278,395</td>
<td>$316,000</td>
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<tr>
<td>41</td>
<td>Promotions</td>
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<td></td>
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<tr>
<td>42</td>
<td>306,000</td>
<td>318,977</td>
<td>Veg.co.nz @ new fixed contribution 280,000</td>
</tr>
<tr>
<td>43</td>
<td>31,000</td>
<td>3,690</td>
<td>VNZI Promotions - other 30,000</td>
</tr>
<tr>
<td>44</td>
<td>$337,000</td>
<td>$322,667</td>
<td>$310,000</td>
</tr>
<tr>
<td>45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>$1,245,000</td>
<td>$1,100,529</td>
<td>Total Expenses $1,234,000</td>
</tr>
<tr>
<td>47</td>
<td>-$133,000</td>
<td>$134,915</td>
<td>Surplus / Deficit -$44,000</td>
</tr>
<tr>
<td>48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key points by Line Number:

Income

1. **Sales value**: Total fresh vegetable sales revenue forecast for 2016/17 was $380m but actual sales for the year were $409m ($373m domestic & $36m Export) $29m higher than the forecast. Sales have increased consistently due to an increase in yield (more produced from same land area); an increase in price driven by higher demand, and an increase in consumer demand due to effective promotion.

8. **Total Levy & Income**: The actual levy for 2016/17 was $1,235,444 which resulted in an increase of $123,444k (including other income e.g. interest) over the forecasted budget of $1,112,000.

Expenses:

18. **Industry Research & Development**: expenses were $101k lower due the completion of the “Fresher by Sea” project researching solutions to extend the shelf life of Capsicum export crops and also the completion in 2016 of the “Alternative treatments” project to research Vapormate as a potential alternative to methyl bromide for export crops. There has also been a reduction in the number of specific vegetable research projects under VNZ Inc. to a greater investment in the combined multi crop projects under V R & I Board management. This ensures we have a larger collective funding pool and compatible solutions across a wider range of crops.

26. **Meetings and Travel PG Expenditure**: were $14K higher due to an increase in the number of attendees to VNZ Inc. meetings and also other meetings associated to VNZ Inc. portfolios i.e. GIA / biosecurity.

40. **Office & Communications**: expenses were down considerably by $42k in total, with a reduction in forecasted salary & wages due to the reduced time and costs allocated from Finance & Auditing and unclaimed direct staff hours.

44. **Promotions (Fresh Vegetables)**: funding allocated from Vegetables NZ Inc.to vegetables.co.nz was $322k or $15k lower compared to the forecasted $337k. In the VNZ Inc. and Veg.co.nz budgets there is a 10% or $31k optional promotional allocation which can be used by Vegetables NZ Inc. for direct promotional expenditure and in the 16/17 year VNZ Inc. spent $22k of that fund.

46. **Total expenses**: Overall expenses were down $145k from the $1,245,000 budgeted to $1,100,529

47. **Surplus / Deficit**: Giving a bottom line surplus income of $134k against a budgeted deficit of $133k.
Vegetables NZ Inc. 2017 / 18 - Draft Budget Commentary

Please refer to the VNZ Inc. Income and Expenditure Financials - Page 21 (Right hand column)

Key points by Line Number:

1. **Sales value**: The VNZ Inc. grower sales value forecast is $400M ($360M domestic and $40M export) which is $9M less than the $409M of actual sales but $29M higher than the previous year’s forecast of $380M.

8. **Total Income & Levy**: The levy income of $1,190,000 budgeted for 2017/18 and is calculated on the average between last year’s forecasted levy income of $1,112,000 and last year’s actual income of $1,235,444.

18. **Research & Development**: Total forecasted R & D expenses have increased by $95k from last year’s actual of $359k to this year’s $454k. This includes increased VNZ Inc. funding to the collective pool of the vegetable PG funders to the V R & I Board for the funding of science based information that supports NRE (RMA) negotiations on vegetable related issues.

26. **Meetings and Travel PG Expenditure**: The expense budget has increased by $14k from last year’s actual of $140k to $154k this year due to an increase in the number of grower visits and associated business meetings.
   **Note**: The Chairman’s Honorarium has transitioned from an Honorarium payment plus Daily Fees to an all-inclusive Daily Fee structure.

40. **Office & Communications**: Increased forecast of $38k on last year’s actual of $278k but $5k under last year’s forecast of $321k for additional staff costs associated with increased GIA and Levy referendum work.

44. **Promotions**: Vegetables.co.nz funding (expense) is forecast to decrease by $39k to $280k from $319k with the 10% promotional component now being used for specific VNZ Inc. promotional activity. The flat rate funding as now in line with the other contributing PG’s.

46. **Total Expenses**: As per the comments the total expenses are forecasted to be higher than last year’s actual of $1,100,529 by $134k to $1,234,000.

47. **Surplus / Deficit Balance**: The forecast is for a deficit of $44k subject to actual levy and expense variations. Last year a deficit of $133k was forecast but resulted in an actual surplus of $134k. If the final 2017 /18 budget does result in an actual deficit then this will be funded from current reserves. (The current reserves of $736k are held in the VNZ accounts).
Vegetables New Zealand Incorporated

Entity Information

For the year ended
31 March 2017

Legal Name of Entity: Vegetables New Zealand Incorporated

Type of Entity and Legal Basis: Incorporated Society

Registration Number: 2616693

Date of Incorporation: 24 December 2014

Contact details

Physical Address: Level 4
Co-Operative Bank House
20 Balance Street
Wellington 6011

Postal Address: P O Box 10232
The Terrace
Wellington 6143

Phone/Fax: Ph +64 4 472 3795

Email/Website: www.vegetablesnz.co.nz
## Statement of Financial Performance

For the year ended 31 March 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**REVENUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Income</td>
<td>1,079,853</td>
<td>1,094,933</td>
</tr>
<tr>
<td>Research and Development Grants</td>
<td>-</td>
<td>35,983</td>
</tr>
<tr>
<td>Interest</td>
<td>20,686</td>
<td>30,669</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>1,100,539</strong></td>
<td><strong>1,161,585</strong></td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research &amp; Development</td>
<td>359,170</td>
<td>426,939</td>
</tr>
<tr>
<td>Meetings &amp; Travel</td>
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<td>120,872</td>
</tr>
<tr>
<td>Office and Communications</td>
<td>274,265</td>
<td>299,700</td>
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<td>Audit Fees</td>
<td>4,130</td>
<td>5,000</td>
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<tr>
<td>Promotion</td>
<td>322,668</td>
<td>309,074</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1,100,539</strong></td>
<td><strong>1,161,585</strong></td>
</tr>
</tbody>
</table>

**Surplus for the Year**

0

-
# Vegetables New Zealand Incorporated

## Statement of Financial Position

As at 31 March 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

## ASSETS

### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank accounts and cash</td>
<td>292,311</td>
<td>234,948</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>322,519</td>
<td>158,712</td>
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<tr>
<td>GST Receivable</td>
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<td>10,512</td>
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Total Current Assets: 614,829 404,172

## LIABILITIES

### Current Liabilities

<table>
<thead>
<tr>
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<th>2016</th>
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<tbody>
<tr>
<td>Creditors and accrued expenses</td>
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<td>327,727</td>
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<tr>
<td>GST Payable</td>
<td>23,765</td>
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<tr>
<td>Income in Advance</td>
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<td>76,445</td>
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Total Current Liabilities: 614,829 404,172

Total Assets less Total Liabilities (Net Assets): 0 -

## Accumulated Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Funds</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Accumulated Funds: - -

Based on Pre Audit Financials
Vegetables New Zealand Incorporated
Statement of Cash Flows
For the year ended
31 March 2017

<table>
<thead>
<tr>
<th>Actual This Year $</th>
<th>Actual Last Year $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities</td>
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<tr>
<td>Cash was received from:</td>
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</tr>
<tr>
<td>Contract Income</td>
<td>1,185,136</td>
</tr>
<tr>
<td>Research and Development Grants</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>20,686</td>
</tr>
<tr>
<td>Cash was applied to:</td>
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</tr>
<tr>
<td>Payments to suppliers</td>
<td>913,511</td>
</tr>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>292,311</td>
</tr>
<tr>
<td>Net Cash Flows from Investing and Financing Activities</td>
<td>-</td>
</tr>
<tr>
<td>Net Increase / (Decrease) in Cash</td>
<td>292,311</td>
</tr>
<tr>
<td>Opening Cash</td>
<td>234,948</td>
</tr>
<tr>
<td>Closing Cash</td>
<td>527,259</td>
</tr>
</tbody>
</table>

This is represented by:
Bank Accounts and Cash | 292,311 | 234,948 |
Basis of Preparation
Vegetables New Zealand Incorporated is an Incorporated Society and as such has no statutory requirement to prepare GAAP compliant financial statements. The Society has elected to prepare Special Purpose Financial Statements applying PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than $2,000,000 with the exception of preparation of a Statement of Service Performance. All transactions in the Financial Reports are reported using the accrual basis of accounting. The Financial Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. The Financial Reports have been prepared to

Goods and Services Tax (GST)
Vegetables New Zealand Inc is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax
Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue. Taxation expense is accrued in the period to which the obligation arose. Tax is calculated in accordance with IRD rates.

Bank Accounts and Cash
Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Contract Revenue
Vegetables New Zealand has a memorandum of understanding with Horticulture New Zealand to provide services of benefit to vegetable growers in New Zealand. Funding is provided to Vegetables New Zealand under the memorandum on the basis of being income in advance until the funds have been spent in accordance with the Vegetables New Zealand budget. Horticulture New Zealand has retained the right to recover any unspent funding and as such a liability for income in advance is recognised for any unspent funding.

Interest Revenue
Interest income is recognised as it is earned and accrued using the effective interest method.

Research and Development Grant Revenue
Research and development grants are recognised in accordance with the funding agreement. Where the funding is provided with conditions then income is only recognised when the conditions attached have been fulfilled with the unspent portion being recognised as income in advance.

Debtors
Debtors are stated at estimated realisable value. Bad debts are written off during the period in which they are identified.

Changes in Accounting Policies
There have been no changes in accounting policies during the financial year.
Vegetables New Zealand Incorporated
Notes to the Performance Report
For the year ended
31 March 2017

Note 1: Horticulture New Zealand Contract Revenue

<table>
<thead>
<tr>
<th>Service Provided</th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial seed funding provided at inception</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Contract Funding provided throughout the year</td>
<td>1,357,655</td>
<td>1,021,378</td>
</tr>
<tr>
<td>Unspent contract income</td>
<td>(427,802)</td>
<td>(76,445)</td>
</tr>
<tr>
<td>Recognised Income</td>
<td>1,079,853</td>
<td>1,094,933</td>
</tr>
</tbody>
</table>

As disclosed in the accounting policies Vegetables New Zealand Incorporated has signed a Memorandum of Understanding with Horticulture New Zealand Incorporated dated 13 April 2015. Under the Memorandum Horticulture New Zealand Inc has agreed to contract Vegetables New Zealand Inc to undertake the activities specific to the tomato industry and previously undertaken by the Vegetables NZ Product Group. Horticulture New Zealand Inc has agreed to ensure any funding it receives from Horticulture New Zealand Inc is only used in accordance with the purpose for which it was provided by Horticulture New Zealand Inc which is defined by clause 19 of the Commodity Levies.

Under the Memorandum all funding is required to be recognised as income in advance until it is spent in accordance with the memorandum. Any unspent money is refundable to Horticulture New Zealand Inc.

At year end Vegetables New Zealand Inc had received funding of $427,802 which remained unspent and as such this has been recognised as income in advance liability in the financial statements.

Note 2: Research and Development Grants

<table>
<thead>
<tr>
<th>Researcher</th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horticulture New Zealand Inc</td>
<td>-</td>
<td>1,200</td>
</tr>
<tr>
<td>Agmardt</td>
<td>-</td>
<td>34,783</td>
</tr>
<tr>
<td>-</td>
<td></td>
<td>35,983</td>
</tr>
</tbody>
</table>

No Research and Development Grants were received in 2017. Grants in 2016 were received from Horticulture New Zealand Inc and Agmardt.

Note 3: Interest

<table>
<thead>
<tr>
<th>Source</th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNZ</td>
<td>223</td>
<td>2,549</td>
</tr>
<tr>
<td>IRD</td>
<td>206</td>
<td>-</td>
</tr>
<tr>
<td>Horticulture New Zealand Inc</td>
<td>20,256</td>
<td>28,120</td>
</tr>
<tr>
<td></td>
<td>20,686</td>
<td>30,669</td>
</tr>
</tbody>
</table>

Interest is earned on deposits held with BNZ and on the funds held by Horticulture New Zealand Inc that are the retained earnings of the Vegetables Product Group. Interest from Horticulture New Zealand accrues at the average rate of term deposits held by Horticulture New Zealand Inc.
Vegetables New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2017

Note 4: Bank accounts and cash

<table>
<thead>
<tr>
<th></th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNZ Current Account</td>
<td>273,486</td>
<td>154,134</td>
</tr>
<tr>
<td>BNZ Autocall</td>
<td>18,825</td>
<td>80,814</td>
</tr>
<tr>
<td></td>
<td>292,311</td>
<td>234,948</td>
</tr>
</tbody>
</table>

Interest is earned at 0.25% in the current account. As at balance date there were no overdraft facilities.

Note 5: Debtors and prepayments

<table>
<thead>
<tr>
<th></th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Interest</td>
<td>20,256</td>
<td>28,120</td>
</tr>
<tr>
<td>Trade Debtors</td>
<td>302,262</td>
<td>130,592</td>
</tr>
<tr>
<td></td>
<td>322,519</td>
<td>158,712</td>
</tr>
</tbody>
</table>

Note 6: Commitments and Contingencies

Commitments
There are no commitments as at balance date (Last Year - nil)

Contingent Liabilities and Guarantees
There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Note 7: Related Party Transactions

Horticulture New Zealand Inc
Horticulture New Zealand Inc is a related party by virtue of being a provider of administrative services and a provider of contract funding with an employee of Horticulture New Zealand being the main administrator of Vegetables New Zealand Incorporated.

Transactions Undertaken:

<table>
<thead>
<tr>
<th></th>
<th>$ This Year</th>
<th>$ Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Funding Provided</td>
<td>1,507,655</td>
<td>1,171,378</td>
</tr>
<tr>
<td>Contract funding outstanding at year end</td>
<td>302,262</td>
<td>110,592</td>
</tr>
<tr>
<td>Interest Income received</td>
<td>20,256</td>
<td>28,120</td>
</tr>
<tr>
<td>Interest income outstanding at year end</td>
<td>20,256</td>
<td>28,120</td>
</tr>
<tr>
<td>Income received in advance</td>
<td>(427,802)</td>
<td>(76,445)</td>
</tr>
<tr>
<td>Conference and Administrative Services Provided</td>
<td>694,605</td>
<td>639,597</td>
</tr>
<tr>
<td>Administrative Services outstanding creditor at year end</td>
<td>89,841</td>
<td>237,426</td>
</tr>
</tbody>
</table>

Stuart Davis is on the Board of Vegetables New Zealand Inc and the Board of Vegetable Research & Innovation Board. Vegetables New Zealand Inc provides funding to Vegetable Research and Innovation via Horticulture New Zealand. Funding provided in 2016/17 was $52,344. There were no amounts outstanding at year end.

Note 8: Events after Balance Date
There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)
**Roland Fumasi - Vice President, Rabobank**

Roland Fumasi is a vice president, senior analyst & manager for Rabobank’s RaboResearch Food & Agribusiness group. Headquartered in Fresno, California, Roland is responsible for covering and analyzing the U.S. and North American fresh fruit and vegetable industries, general California agriculture, and leads the Fresno research team. He combines a background in agribusiness research with international market development and finance experience in the agriculture industry. Prior to joining Rabobank, Dr Fumasi served as a senior executive in the equipment industry beginning in 2008. From 2005 to 2008, Dr Fumasi served as a Research Associate for the Agricultural & Food Policy Center at Texas A&M University, where his research focused on specialty crops and alternative energy (bio-fuel) production. Roland completed his Ph.D. in Agricultural Economics at Texas A&M University in 2013. Prior to Texas A&M, Roland was an active researcher at the California Institute for the Study of Specialty Crops at the California Polytechnic State University San Luis Obispo (Cal Poly), where he produced an award-winning thesis related to specialty crops. Roland received both his B.S. and M.S. in Agribusiness from Cal Poly.

From 1998 through 2003, Dr Fumasi served as a Financial Advisor for Morgan Stanley in Visalia, California, where his business focus was comprehensive financial planning for agricultural families. As a Marketing Director for various firms during the 1990’s, Roland was responsible for building distribution networks for the animal health industry in three countries.

**Steve Gilbert - Director Border Clearance Services, MPI**

Steve has been the Director Border Clearance Services at Ministry for Primary Industries since 2013 and is responsible for the clearance of incoming passengers and cargo nationwide. Steve is also a member of MPI’s Bio Security Board which provides leadership for all aspects of the bio security system which includes pre-border, border and post border activities. He has had fifteen years’ experience in a range of operational leadership roles within the Ministry for Primary Industries (MPI) and in other areas including sports management.

**Dr Anna Campbell - Managing Director, AbacusBio**

Anna has a strong scientific background from which she has transitioned into business leadership and governance. She is now Managing Director of AbacusBio, an agri-technology company where she leads a team of over 30 specialised consultants and several graduate students.

Anna has significant international experience, having worked in Asia, Australia and New Zealand with companies and research organisations to implement technology programmes. She is also a Director of Otago Innovation Limited, the commercial arm of the University of Otago and an agri-technology advisor to Powerhouse Ventures Ltd.
Clare Kelly - Divisional Manager, Trade Negotiations Division

Clare Kelly is the Manager of the Trade Negotiations Division in the New Zealand Ministry of Foreign Affairs and Trade. From April 2013 to April 2017 she served as New Zealand’s Ambassador to Mexico, with concurrent accreditations to Belize, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Nicaragua, Panama and Venezuela.

From May 2009 until her appointment as Ambassador, Clare served as Unit Manager, Trade in Goods, in the Trade Negotiations Division of the Ministry of Foreign Affairs and Trade, with responsibility for New Zealand’s agriculture and goods negotiating teams in bilateral and regional free trade agreement negotiations and in the World Trade Organisation. During this period she was also New Zealand’s lead Goods negotiator for the Trans-Pacific Partnership Agreement negotiation.

Clare was posted as Counsellor in the New Zealand Permanent Mission to the World Trade Organisation in Geneva from 2003 to 2007. Her previous experience in a Latin American embassy includes a posting as First Secretary and Consul-General in the New Zealand Embassy in Santiago, Chile.

From 2007 to 2009 Clare worked as a Trade Adviser in the Geneva office of the law firm White & Case LLP, covering a range of international trade law issues, in particular, trade in services, accessions to the WTO and WTO disputes.

Clare holds a Masters Degree in Political Studies from the University of Auckland, New Zealand.

Sarah McCormack - Executive General Manager, International, T&G

Sarah has held her role since August 2015. Prior to this she was general manager sales and marketing of our diversified products team for three years and a founder, shareholder and senior manager of Delica Global which was purchased by T&G Global in 2014.

Mike Petersen - Special Agricultural Trade Envoy (SATE)

Mr Mike Petersen is New Zealand’s Special Agricultural Trade Envoy (SATE) and has held this role since July 2013.

This unique role was established by New Zealand ministers in close consultation with New Zealand’s agriculture sector – to bring a farmer’s perspective to international trade in food and agriculture, and to build partnerships with farming organisations offshore.

Mr Petersen is not a government official. Drawing on his considerable farming and private sector experience, Petersen works to promote a greater understanding of New Zealand’s agricultural sector interests, including dairy, meat, wool, horticulture and wine, from the perspective of a practicing farmer.
Mr Petersen is a successful farmer and industry leader in the New Zealand agricultural community. Mr Petersen owns and operates a finishing farm in Hawke’s Bay, which he has managed since New Zealand’s agricultural reforms in the late 1980s.

As a farmer and industry leader in New Zealand, Mr Petersen is well positioned to offer his perspective on the New Zealand primary sector. These perspectives include new innovations in sustainable farming, sector efficiency and productivity, as well as discussing some of the challenges in New Zealand’s evolution into a successful trading nation despite being one of the most isolated countries in the world.

Rachel Taulelei - CEO, Kono NZ

Rachel Taulelei is CEO of Kono NZ, one of New Zealand’s top 100 food and beverage companies, whose activities range from wine, cider, horticulture, and seafood, to fruit bar manufacturing. Rachel founded the sustainable seafood company Yellow Brick Road, and as such she is passionate about New Zealand’s primary sector and developing values based business models. Rachel is a former NZTE US Trade Commissioner, in 2015 she received a New Zealand Order of Merit for services to food and hospitality, and in 2012 was the recipient of a Blake Leader Award from the Sir Peter Blake Trust, on whose board she now sits. Other directorships include Moana NZ, Wellington Regional Stadium Trust, New Zealand Wine Growers, Headwaters New Zealand, and the Young Enterprise Trust.

Dr Jacqueline Rowarth - CNZM, CRSNZ, FNZIAHS

Jacqueline holds the new position of Chief Scientist for the Environmental Protection Authority. Until the end of October she held the Foundation Chair in Agribusiness at the University of Waikato, a position she held from 2012, having spent the previous five years in the role of Director of Massey Agriculture and Foundation Chair of Pastoral Agriculture, at Massey University. She has also taught at University of Melbourne and Lincoln University, plus worked for DSIR Grasslands/Agresearch from 1988 to 1994. She is a Past President of the New Zealand Grassland Association and the New Zealand Institute of Agricultural and Horticultural Science, a past trustee of AGMARDT, and a past Director of Crop and Food Research. Jacqueline obtained a PhD in soil science from Massey University, having completed a B.Ag.Sci with honours in Environmental Agriculture. She received the Zonta Award for excellence in science in 1994, was made Companion of the New Zealand Order of Merit for services to agricultural science in 2008, and in 2009 she was given the inaugural ‘Agricultural Personality of the Year Award’ by the Federated Farmers of New Zealand. In 2010 she was awarded the Landcorp Communicator of the Year Award by the New Zealand Guild of Agricultural Communicators and Journalists. In 2013 she was listed in the top 50 most influential women in New Zealand in the Westpac/Fairfax Awards.

For further updates on the Conference Programme and Speaker Profiles refer to –

www.confer.co.nz/hortnz2017/programme/