

Vegetables

NEW ZEALAND Inc.

2021



ANNUAL REPORT & AGM PAPERS

YEAR ENDED 31 MARCH 2021

OUR 2021 BOARD



ANDRE DE BRUIN
Chair,
Grower representative,
Chair Vegetables.co.nz
Northland



MIKE PARKER
Vice Chair,
Grower representative,
Board representative for
Vegetable Research &
Innovation Board (VR&I)
Parkers Gardens Ltd
Waikato



ALLEN LIM
Grower representative,
Observer Tomatoes NZ
Board,
NZGAP representative
Jade Garden Produce Ltd
Christchurch



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representative
Thymebank 2013 Ltd
Blenheim



KIRAN HARI
Vegetables.co.nz
representative
Pukekohe



JOHN MURPHY
Grower representative,
NZGAP representative
Murphy's NZ Ltd
Blenheim



NICK POLLOCK
Grower representative,
LeaderBrand Produce Ltd
Gisborne



ANTONY HEYWOOD
General Manager

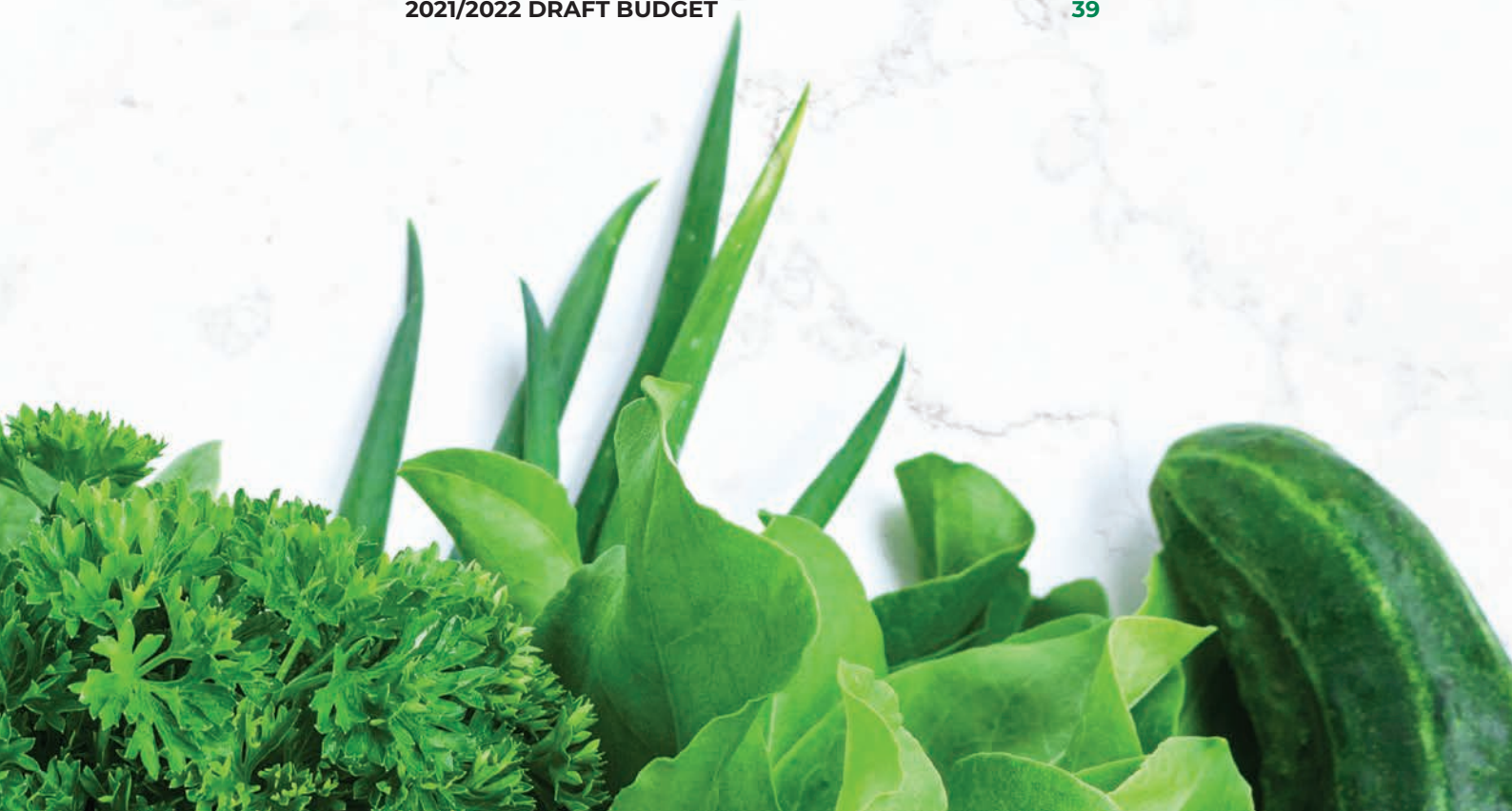


LYNDA BANKS
Business Coordinator

Vegetables NZ Inc staff are Antony Heywood (General Manager) and Lynda Banks (Business Coordinator) based in the Horticulture NZ office, in Wellington.

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DASHBOARD

VEGETABLES.CO.NZ

PLATFORM PROMOTION



1.1m users

42% increase
from 2020



2,279,262

page views



1,808,389

unique page views
(25,351 in 2020)



291k users

the last 3 months
(250k in 2020)

EDUCATION



390

schools partnered with



Yr 7+8

teaching kids a life
skill (cook a meal)



199,390

recipes viewed



2,296

images downloaded
from Image library

SOCIAL MEDIA



2,200

E-newsletter followers
(increase 200)



20,000

Facebook followers
(increase 1,000 from 2020)



1,467

Instagram followers
(increase 200)



68,681

Video views in
past 12 months

GROWER SPECIFIC



834,497

Vegetable A-Z views



6,475

views of 'Meet the
Grower - Kumura'



2

New Meet the
Grower videos



6

New video clips

MOST VISITED PAGES (PAGE VIEWS)



62k

tips-and-advice/
vegetable-classifications/



61k

vegetable-
classification/stems/



55k

vegetables-a-z/
indian-vegetables/



50k

vegetable-
classification/tubers/

VEGETABLE RESEARCH & INNOVATION (VR&I)

PROJECTS, VALUE AND SUPPORT



11

completed projects



20

supported publications/ reports/outputs produced from projects



\$7k - \$7.5m

total value range of the 17 projects underway



\$19m

of research activity (total project value for the lifetime of the projects funded)



3 key pillars

refreshed strategies for research investment

- Environmental stewardship
- Crop protection
- Common Reporting Framework



Maximising the value of irrigation

Largest Collaborative project

six-year MBIE funded research programme testing the next generation of irrigation management tools for horticulture

NEW ZEALAND GOOD AGRICULTURAL PRACTICE (NZGAP)

PROGRAMMES + INVOLVEMENT

NZGAP



569

certified

NZGAP GLOBAL G.A.P. EQUIVALENT



32

certified

GRASP



21

certified

SOCIAL PRACTICE



1

certified

139

registered



6000

Workers covered by Social Practice

ENVIRONMENT MANAGEMENT SYSTEM



14

certified

51

registered



20,000 ha

registered area

Vegetable growers in NZ use NZGAP as a foundation document to link their growing practices to retail food safety systems. The importance of the NZGAP scheme, and it's add-on modules for the environment (EMS) and labour (social practice) make it worthy of noting in the Annual Report.

Of particular note, due in no small part by the actions and funding of VNZI, is the increase in EMS uptake.

CHAIRMAN'S REPORT

Over the last 12 months our growers have had a lot to deal with: Covid-19, labour supply, environmental plans, floods, droughts, biosecurity incursions, carbon tax increases, and input supply delays (including machinery parts, bins, crates, timber etc). The list goes on.

During all this disruption, we continued to service New Zealand's vegetable needs and discerning export customers with our quality vegetables and minimal market interruptions.

Recently we were told that growers need to become resilient to deal with the changes that climate will bring. If continuing to operate your business through present challenge's is not your definition of resilient, I struggle to understand what is. One grower summed up the current situation as *"someone took the fun out of growing!"*

To ensure growers continue to be confident in the growing industry, we need a stable industry environment to operate in. The cry from government is for more movement from animal to plant based activities. This does not seem to be a stability creating policy in what is already a very competitive vegetable growing space.

Covid-19 has led to many changes in the way VNZI operates. Zoom is now embedded as part of our operational landscape, bringing people together efficiently and quickly. It has certainly added to the tools available for communication. However, nothing fully replaces the face-to-face meetings. These create the best opportunities for everyone to have their voice heard.



**Andre de Bruin,
Chair VNZI Board**

This is why I encourage as many growers as possible to join us at conference. Here, you are able to connect with others in the industry, give feedback and generally help shape our industry's future.

This year saw the passing of Ron Gall, former Business Manager of VNZI and Potatoes NZ. Ron was, among other things, instrumental in ensuring the successful establishment of NZGAP. He was also the force behind the development of the VNZI Crop Advisory Groups (CAG) to create a better voice for growers. Ron's passing gave us time to reflect on just how far our industry has come, with tremendous input from passionate people like Ron.



RON GALL

Some things do stay the same. The first conference I attended was in Wellington, over 20 years ago. One of the key issues at that time was crate hire costs. This year, once again crate issues have been on the agenda. If we have no crates, we cannot get produce to market. It is in everyone's best interest to ensure the system runs smoothly. How hard can it be? We need to have the right crates, in the right place, at the right time. Crates that do not collapse, are the correct size for the job, and at an appropriate cost. They also need to be readily available the entire year-round. I think we still have a way to go to achieve this.

Following a review of last year's Covered Crops Merger remit, both Tomatoes NZ and VNZI have committed to an enhanced working relationship. I hope you will support us in this decision. There are plenty of issues ahead we need to work together on.

Biosecurity

Biosecurity has been 'top of mind' again this year. VNZI have been involved in three incursions, Tomato Red Spider Mite (TRSM) Tomato Brown Rugose Fruit virus (TBRFV) and Pepino Mosaic virus (PEPMV). We continue to work collaboratively with our Government Industry Agreement (GIA) partners to achieve the best outcomes for our industry. We need to ensure that we maintain an environment that encourages growers to come forward when they identify biosecurity issues. This means that when we have incursions they get identified as soon as possible before becoming wide spread and out of our control. A big thank you to the businesses that have come forward when biosecurity issues have occurred.



Financial Updates

We have actively increased reserves over the last few years to protect VNZI from the liability of potential biosecurity incursions due to our multi-crop nature. Partway through the last financial year (FY21), the new biosecurity levy started coming into the VNZI accounts. This levy is collected solely for the purpose of biosecurity activities. Moving forward, the biosecurity levy is a purpose-built mechanism for addressing VNZI's biosecurity liabilities.

One of the requirements for signing the GIA was the creation of VNZI as a self-standing, incorporated society. This is the final year that we need to run two sets of financial accounts to manage the process of transitioning from VNZ to VNZI. The process is now finally complete. Going forward, everything will now function through VNZI.

One of the advantages of having many different crops under one umbrella is that Covid-19 did not have the predicted negative impacts on our levy. Covid-19 associated business disruptions also created a significant decrease in expenditure as a result of reduced conference, travel, meeting and other costs. The end result was a significant un-forecast profit for VNZI.

Cancelling the 2020 Horticulture conference due to Covid-19 resulted in our AGM being held online by webinar. It was a very poor second to having a live event, but it did however, ensure our constitutional responsibilities were fulfilled. Covid-19 willing, we look to holding our 2021 conference and AGM in person in August at Mystery Creek, and encourage all growers to join us there.



FEP WORKSHOP LEVIN

Research

There are a number of activities covered in the current research portfolio which VNZI consider vitally important to our grower members. The programmed roll out of farm environmental plan (FEP) workshops for vegetable growers was significantly disrupted and delayed due to Covid-19. It is really important that growers continue to engage with this programme.

The Sustainable Vegetable Systems (SVS) programme is now in full swing and will help us better understand vegetable nitrogen use and leaching. Although delayed, we are starting to get our research priorities formatted for the 'A Lighter Touch' (ALT) programme and we are committed to enhancing our growers integrated pest management options for both under cover and outdoor growers.

VNZI continue to actively support our growers to maintain ongoing access to important agrichemicals. This ensures there are options for pest control where no quality alternatives exist.



FEP WORKSHOP PUKEKOHE



Carbon is the new frontier

Our covered crop growers are facing a massive challenge. The carbon tax on heating fuels is an escalating cost that is already having a material impact on business profitability. This is particularly acute for growers where coal is presently their only option for heating. We need to ensure our growers are not left with a series of stranded assets as a result of this issue. There is a lot of work to undertake in the coming year in this area. I commend the work the Energy Efficiency and Conservation Authority (EECA) is undertaking, directly with some growers, and through a combined project with Tomatoes NZ and VNZI, to find potential solutions for our industry.

Heavily taxing fossil fuel inputs are a big driver for change but it is also a very blunt tool.

To enable change, growers need viable green alternatives for their heating needs. While these viable options are being developed, the accumulating carbon cost on business is mounting. This cost will potentially deny many businesses the financial ability to fund those alternatives when they are finally accessible.

Hopefully our work with EECA can help in delivering growers an achievable pathway forward.



Promotional Work

In our promotional work, our key focus has been the school cooking curriculum programme. This far-reaching programme is showing its worth with more schools coming on board with our resources. Supplying school lunches might give some a good lunch. Teaching someone the skills to use our produce potentially gives us a vegetable consumer for life. It is our mission going forward to really cement this programme into the school system. There is plenty of ongoing work in this space and the potential pay back is a game changer for our industry.

Pip Duncan retired from Vegetables.co.nz and we thank Pip for her outstanding work for us. The concept development and roll out of the cooking curriculum is the standout highlight of Pip's time with us, the results of which we will benefit from well into the future. Following Pip's departure, we welcomed Julie North of Foodcom to lead this programme forward and to strengthen our focus in the digital space.

Looking forward

This is my final Annual Report as I will be retiring from the VNZI Board at the upcoming AGM. Thank you to all the growers who have supported me, our Board and staff. A special thanks to the growers that have challenged us, pointed out improvements and have taken time and effort to articulate their concerns. You have helped keep us grounded as to who we represent and without your feedback we cannot progress and test our direction of travel.

To the past and present staff - your passion for the industry and growers we serve, even during the hard times, is inspiring.

Please continue to support VNZI and its Board. The better we are informed, the better the decisions we make. If you have a point of view about what we do for growers and if our focus is in the right direction, express it. If you think things can be done better, consider how you can become part of the improvement through Grower associations, Crop Advisory Groups, Young Grower, and the VNZI Board.

Finally, to our regulators. Please treat our industry and its growers as professionals. Work with our industry, take the time to understand what we are actually doing. You might just be surprised what can be achieved when we are working all together.

Andre de Bruin
Chair, Vegetables New Zealand Incorporated

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GENERAL MANAGER'S REPORT

A brief summary of what you will find in the annual report is captured in the strategy plan 2020-2025.

The strategy plan is the blueprint of where VNZI will focus its resources over the next five years. From the strategy plan a workplan, with performance measures, has been developed and is underway with 35 actions to get through in 12 months. The Goals in the strategy are well tested, and suitably high level to capture any future development in a dynamic marketplace.

COMMON THEMES THROUGH EACH OF THE PILLARS

- fresh
- healthy diet
- good for you and communities
- safe to eat
- sustainable
- resilience
- diverse

These concepts are captured and told through our actions and grower stories, building a comprehensive and compelling narrative that vegetables are crucial for New Zealand food security, and ultimately the welfare and health of its people. Vegetable growers have a positive social licence that cannot be ignored.



DIAGRAM 1. VNZI STRATEGY PLAN 2020-2025



ROBERT LINDSAY
CUCUMBER GROWER



ALLAN FONG
GROWER

Vegetables NZ have generally been fairly benign in public relations, and the communication of the many resources it has developed and is developing. The dashboard is an indication of what VNZI is currently undertaking. The mantra of the VNZI Board has been to do the work rather than talk about it (e.g. the rollout of FEP across the country). This thinking has placed it in a vulnerable position as to its perceived value. A limited communication plan has further stymied the perceived value of the VNZI brand. The Board have realised this cannot continue in the future as relevance needs to be noticed by its stakeholders. With many competing forces demanding of its stakeholder base, VNZI needed to raise its profile with its growers, its public and Government.

To build recognised social licence for vegetable growers, the Board has focused on several areas:

1. New strategy to capture the landscape growers are experiencing now and the future
2. Research to support the grower story about their growing environments and emissions in those environments
3. New promotion activity to align core elements of fresh and healthy food, grower stories, the importance of healthy diet on general public health, and this health attribute building better communities.
4. Food security is not a given in NZ, we need a plan to grow food in all regions of NZ.
5. Information systems provide credibility to an industry body. The value of its crops, the value of its regional communities, a tracing system for its produce. It is a fundamental of any Industry group as a deliverable of value.



SCOTT WILCOX
CARROT GROWER

OUR GROWERS' STORIES, VIDEO PROMOTIONS

VNZI is the largest vegetable product group by crop number, and when the information systems project is complete, VNZI should be a significant vegetable product group by Levy revenue. A scale to deliver its voice for all Vegetable New Zealand growers.



Antony Heywood
General Manager, Vegetables New Zealand Incorporated

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TRIBUTE TO PIP DUNCAN

VEGETABLE INDUSTRY SERVICE AWARD

Pip Duncan who retired as *vegetables.co.nz*'s education and marketing manager at the end of May has been praised by its chairman, Andre de Bruin.

"Pip's fantastic work in driving the Cooking Curriculum Project will have lasting benefits for the nation's health and vegetable growers," he said.

"What she has been able to achieve along with our project partners The Heart Foundation, the Home Economics and Technical Teachers Association (HETTANZ), NZ Association of Intermediate and Middle Schools [NZAIMS] and the Ministry of Health will ensure a new generation of consumers for vegetables."

The registered dietician's move to work for *vegetables.co.nz* came when she was asked to edit Fresh Inspiration, the *vegetables.co.nz* tabloid for culinary professionals. Then she became its education and marketing manager, where she's run evidence-based, peer-reviewed campaigns for all sectors from early childhood education through to aged care.

She's had a lead role in its partnership with The Heart Foundation for the Curriculum Project. This work followed from The Massey University Curriculum research with year 7 and 8 teachers in 2016. The research identified that only 13 percent of students were able to plan and prepare a complete meal as a key learning objective. Teachers asked for relevant teaching tools and resources in order to equip their students with fundamental life skills to be able to cook a healthy meal within their own budget, cultural and time constraints.



**Pip Duncan,
Retired Education & Marketing Manager**

This led to the 2018 launch of Year 7 and 8 Unit plans and resources, based on the technology process, developed with teachers for teachers. A unit plan and resources which meet the Health and PE education has since been developed.

The Massey research also showed professional development opportunities for these teachers was limited. Pip was orchestrating 14 Professional Development Days throughout New Zealand in 2018 and 2019. Three seminars were held online in 2020 and research was also repeated, despite limitations due to lockdown.

These survey results from 175 year 7 and 8 food technology, food and nutrition teachers showed over two-thirds use the curriculum resources in their classes. They reported an increase in teaching skills that relate to cooking a complete meal like mashing, stir-frying and boiling and more of the dishes they cooked contained vegetables. She said these were good results considering the first half of the year was online teaching.

Plans are for the survey to be completed within another five years with Pip expecting the trend to continue.



FINALISTS AND JUDGES AT THE 2020 KIWIS KIDS CAN COOK COMPETITION.

“We’re definitely moving in the right direction,” she said. “Kids are learning to love vegetables.”

Pip has attended many health, teachers’ and cooking professionals’ conferences to promote vegetables as well as being involved in organising and judging two nationwide competitions sponsored by *vegetables.co.nz*. The Kiwi Kids Can Cook (KKCC) final will be held in November and the prestigious National Secondary School Culinary competition in September. In 2020, both these competitions held four weeks of online promotions with kids presenting their vegetables dishes in short videos. Fortunately, eight regional finals of KKCC were held between lockdowns and a grand final held in November in Auckland with kids from the Far North to South Canterbury competing.

Pip has been involved with producing the Easy Meals with Vegetables recipe cards with colleagues from the Heart Foundation and the Health Promotion Agency. She has particularly enjoyed developing the Meet the Grower videos over the last seven years. In these individual growers explain the process from planting to harvest of a specific vegetable. These videos are extremely popular with teachers and several are in-bedded into Ministry of Education’s programmes across different school levels. Over 69,000 people viewed the videos on *vegetables.co.nz* you tube last year.

In total the *vegetables.co.nz* website has 1.1 million users, an increase of 42 percent through 2020 with growth continuing this year. The most viewed pages are the A to Z of vegetables. And she has edited shorter videos suitable for social media, with *vegetables.co.nz* Facebook and Instagram likes growing annually.

Another big success has been the Forum-on-wheels initiative which takes key influencers to visit growers to see first-hand how vegetables are grown, harvested and packed.

“Food writers, chefs and teachers are extremely interested in where their vegetables come from and the stories behind them,” Pip said.

She’s published 16 books on food, food safety and nutrition and was awarded a prestigious life membership of Food Writers NZ in 2018.

And what does retirement hold for her?

“I’m really looking forward to more home renovations, more trips to Hawke’s Bay, more bridge, and more travel eventually,”

And she would like to thank the growers, especially those who have been on the *vegetables.co.nz* committee with special thanks to Keith Vallabh, Andre de Bruin and business manager, the late John Seymour, for their encouragement and support over the years.

CURRENT LANDSCAPE

OUR STRATEGY 2020-2025

The themes that have been developed in the VNZI strategy plan 2020-2025.

5 pillars covering 5 priorities, each with underlying themes.



Harvesting Relationships

We work with our industry partners to give the best advantage to our growers when working with Govt and the public

The key theme in Harvesting Relationships is using core resources of Veges.co.nz and grower stories about provenance, to engage with the public and Government. This enhances vegetable grower social licence to operate, and it supports the impetus of the Country-of-Origin Legislation (Cool), and reinforces the idea that commercial vegetables growers are acting responsibly when producing food.



Food security

Fresh NZ vegetables are integral to a healthy diet and are sought after by all consumers

The theme of Pillar 2 is to show that fresh healthy vegetables are in demand by the NZ public, as well as consumers in international marketplaces.

The secondary theme in Pillar 2 is to remind our consumers that every region in NZ needs to have access to fresh and healthy food. Therefore, the Government needs to recognise in its policy, that vegetables need to be grown in every region of NZ. Supply lines in NZ are not sufficiently safe guarded to feed the public in a crisis / pandemic. Moreover, some covered crop vegetable production needs heat energy to produce at volume and quality to sustain its survival in the regions. Government policy needs to have a managed co-designed plan if it to remove a stable energy resource (example – natural gas), with no economical viable replacement energy heat source. Food security is a strategic asset for NZ.





Enabling success

Vegetable growers will have industry support and information to help them navigate potential challenges and build resilience

Enabling success is a core function of any business enterprise. Pillar 3 delivers building blocks to enable grower business to grow and thrive. VNZI are linking and developing the resource capability of labour, education, leadership and succession planning in the people space. People capability resources are then viewed with an overlay of technology to set up improved systems and assets. Which are then measured for effect with performance benchmarking to show consistent growth.

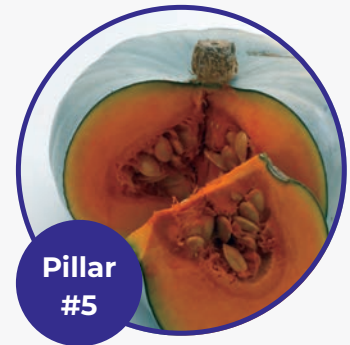


Future proof our farms (Research and Development)

NZ vegetables growers have access to research and innovation that enables improved and sustainable growing practices

Research and innovation is captured under the banner of "Future Proof our Farms." It draws focus on the work of the Vegetable Research & Innovation entity. A technical committee tasked with driving grower ready research and innovation for overcoming the challenges derived from the land the growing environment. The technical group is a collaboration of Vegetables New Zealand, Onions New Zealand, Butter Cup Squash Council, Process Vegetables New Zealand and Tomatoes New Zealand to proactively manage research and innovation activity. FAR and PFR are also represented at the table.

Growers understand the environment in which they grow food. What is important as caretakers of the land is to foster grower practices that provide enduring soil and plant health. Growers understand the benefit of nurturing the soil, from which they build good growing systems, incorporating the best sustainable practices. VNZI support this outcome with access to leading research and international scans on new technology.



Good for our people and communities

Consumption of a diverse range of fresh NZ grower vegetables builds a healthy lifestyle for all

Good for our people and communities reinforces that it is safe to eat our vegetables. VNZI provide the necessary assurance systems to ensure confidence in vegetable purchases and eating vegetables. VNZI ensures food safety, crop protection and research meet the confidence needed by consumers in vegetable growing systems.

This strategy came into effect on the 21 February 2021. The strategy will complement the Veges.co.nz strategy that has just been adopted by the Board of Veges.co.nz.

CURRENT LANDSCAPE

VEGETABLES.CO.NZ STRATEGY 2020-2025



Executive Summary

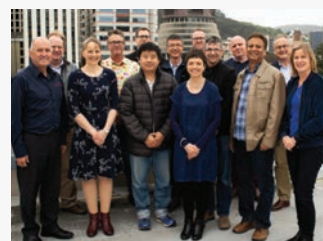
Vegetables.co.nz is a not-for-profit vegetable industry organisation committed to developing the New Zealand public's understanding and consumption of New Zealand grown vegetables. With the intention of ensuring the future health of the New Zealand population, while supporting the livelihoods of domestic vegetable growers. Vegetables.co.nz will achieve this by; being the source of trusted vegetable information, equipping intermediate age students with vegetable knowledge, and communicating information about the New Zealand vegetable sector and the benefits of increasing consumption to the wider New Zealand population. Vegetables.co.nz has limited financial means, which require the organisation to utilise relationships with strategic partners in order to undertake these activities. Vegetables.co.nz is a collaborative initiative by the New Zealand vegetable industries and seeks to create value for the growers within these industries.



VNZI 2020 Board



ONZ Directors (Kevin Wilcox & Dacey Balle) and Hunter Nottage from MFAT



TNZ Board

Organisation structure

Vegetables.co.nz is funded by the grower levy contributions of Vegetables New Zealand Inc, Tomatoes New Zealand Inc, Onions New Zealand Inc. and Processed Vegetables New Zealand. The Executive of Vegetables.co.nz is made up of a representative from each of these contributing organisations and a Chairperson.



Vision

New Zealanders understand and value New Zealand grown vegetables and enjoy the health benefits of increased consumption.



Mission

To re-establish New Zealanders' relationship with the origin of their vegetables and the benefits of including more in their diets.

Intentions

Vegetables.co.nz is not the only organisation working to promote the increased consumption of vegetables or, the vegetable grower story including where vegetables come from. Vegetables.co.nz are also not the only organisation engaging with the education sector to communicate its messages. In an attempt to decrease duplication and reduce unnecessary expenditure, vegetable.co.nz will seek to work with strategic partners to achieve its strategic goals. Whilst creating value for its stakeholders.

Strategic Partners

Vegetables.co.nz have relationships with organisations that also have intentions of increasing; vegetable consumption, vegetable understanding or in school vegetable education. These organisations can become strategic partners to assist in the fulfilment of Vegetables.co.nz's strategic goals.

Stakeholder Groups

Vegetables.co.nz as an organisation is committed to creating value for its Primary stakeholders, while meeting the information and resource need of the secondary stakeholders.

Primary Stakeholders:

The primary stakeholders of Vegetables.co.nz are; Vegetables New Zealand Inc, Tomatoes New Zealand Inc, Onions New Zealand Inc., Processed Vegetables New Zealand and the grower members these organisations represent.

Secondary Stakeholders:

Any person or organisation who uses and engages with resources and information prepared by Vegetables.co.nz. Intentionally targeted or otherwise.



**Pillar
#1**

Young Adolescent Education

Detail: Equip intermediate aged students in New Zealand with the skills and information required to; prepare vegetables for eating and broaden their understanding of commercial vegetable production and supply.

Strategic Goal: Implement a co-developed curriculum plan with strategic partners for 11 and 12-year-old students that can be used New Zealand wide, incorporating cooking skills and commercial vegetable production education.

Keys to goal success

- Government funding and support
- Human capability
- Educator buy-in
- Annual business plan and KPI's to measure progress



**Pillar
#2**

Trusted Resource

Detail: To be acknowledged and respected by key influencers as the source of factually correct, peer reviewed resources about New Zealand grown vegetables.

Strategic Goal: Excellent resources developed with strategic partners that are widely used and trusted by influencers.

Keys to goal success

- Co-developed and unique resources
- Resources utilisation outside vegetables.co.nz workstreams
- Annual business plan and KPI's to measure progress



**Pillar
#3**

Strong Stakeholder Engagement

Details: Creating value for stakeholders by communicating positive messages about the NZ commercial vegetable sector and encouraging increased vegetable consumption across New Zealand population.

Strategic Goals:

- Effective communication and engagement with primary stakeholders
- Engaging communication platforms which are utilised by secondary stakeholders

Keys to goal success:

- Grower Ambassadors
- Joint communication efforts with strategic partners
- Standardised primary stakeholder reporting – stakeholder engagement plan
- Annual business plan and KPI's to measure progress

The Strategic Pillars: will be used to frame activity within the business plan and guide budget expenditure.

The Strategic Goals: an ambitious target position for vegetables.co.nz to reach for each strategic pillar within the timeframe of strategy (five years). This over-arching goal will aid in the guidance of activities.

Keys to goal success: simple indicators to guide decision making toward activities to meet the strategic goal.



How is the strategy delivered?

The primary method to deliver the workplan is with the services of Foodcom. They have been contracted by Vegetables.co.nz executive to meet the workplan performance measures – key goals to success.

Foodcom will administer and develop the Veges.co.nz education pathway – Skills for Life – and will also facilitate the social media channel for stakeholder engagement.

Foodcom was established in 2016 and works alongside various primary industries, including Deer Industry New Zealand, NZ Hops, NZ Pork, and the seafood industry. Focussed on deepening people's understanding of our primary food production. Julie is based in Nelson and runs her own consultancy Foodcom, with a team of nutritionists and dietitians who specialise in food industry and communications. This really means they just love talking about food.

Julie is a food and nutrition communications professional with 25 years-experience largely in New Zealand's food industry. Graduating from Otago University with a post grad in dietetics Julie began her professional career with the NZ Dairy Board, igniting a real passion for New Zealand's food scene, that has extended into various food industries over the years.



Julie North
Foodcom
Communications
Consultant

OUTREACH

Farm Environment Plans

A Horowhenua FEP pilot project for vegetable growers ran from September 2019 to March 2020. Growers engaged with advisers in technical FEP workshops using the NZGAP Environment Management System (EMS) add-on. As a result of industry efforts and a collective approach to farm planning by growers, **90% of cropping land in the Lake Horowhenua catchment is now managed through independently audited and NZGAP certified FEPs.**

A similar programme was run in Gisborne, to support fresh and processed vegetable growers to meet 1 May deadline for Farm Environment Plans. Industry successfully negotiated Council recognition of the EMS add-on as a pathway to meet their FEP requirements, including audit and reporting. We are continuing to work with GDC through the details of the agreement. **Based on information at time of publication of this annual report, 90% of the total area (~8,500 ha) of main vegetable crop types captured in GDC's 2020/21 Summer Crop Survey, mostly grown in the Poverty Bay Flats, is registered with the NZGAP EMS add-on for FEPs to meet the 1 May Council deadline.**

Workshops in Pukekohe started in March 2021 and will continue to July. Workshops in Tasman and Northland are being planned for the remainder of 2021. As well as supporting growers, HortNZ will actively engage with local authorities on horticulture FEPs. A schedule for 2022 is being developed in consultation with Product Groups and NZGAP.

SUSTAINABLE VEGETABLE SYSTEMS (SVS) PROJECT

SVS project will determine the nitrogen leaching potential of various vegetable and cover crops, how they are modelled, and then deliver evidence to support grower land Consent processes are well underway under the stewardship of Andrew Barber.

Key milestones of the project workstreams are summarised:



Workstream 1 – trials

The Lincoln Rotation 1 wheat has finished and is going into broccoli. Rotation 2 plot has begun with pak choi, followed by a cover crop – most likely ryegrass given the issues that have been raised about how a short-term ryegrass crop is treated in Overseer.

Hawke's Bay Rotation 1 begins with an onion crop in August 2021. Rotation 2 is about to be sown in pak choi, followed by lettuce and peas. Agronomy advice is being taken from a local consultant, with the plan to be passed by the Technical Panel.



Workstream 2 – monitoring

Most of the 9 regional sites have now come to the end of their first crop. Grower surveys are now being conducted to collect inputs (e.g., fertiliser), cultivation, irrigation, and yields. A data transparency report will collate all the information for later use by the modelling groups.



Workstream 3 – modelling

The foundation for any crop modelling is having the agronomy right. A list of 10 priority crops for improvement or incorporation into Overseer has been developed. An agronomist has been working with Hamish Brown (PFR) on modelling one of these crops. This is now the blueprint for the remaining crops. A workshop is being held in late April 2021 with 4 agronomists and Hamish to refine the parameters around the remaining crops. With this foundation a group of modellers, PFR, and Overseer will come together as a crucial first step towards improving the use of Overseer as a modelling tool for vegetables. This modelling workshop is planned for May 2021. Other models will also be considered using the data collected.

Workstream 4 – dissemination

The WS4 leaders have met several times over the past 2 months to develop a programme. The work this year is focused on a baseline grower survey on current tools, problem recognition, and preferred methods of grower engagement and resources. This is dovetailing in with the work being conducted by PFR as part of their social science project, where they are conducting grower focus groups, key grower interviews, and a wider grower survey.

Biosecurity Commitments

VNZI Commitment	Readiness	Response
Multi vegetable sector OA for response		Response OA drafting and implementation
On farm biosecurity manual	Grower resource tool and guideline for on farm biosecurity and developing a biosecurity plan. On farm manual was sent to all indoor and outdoor grower members	
Find a Pest	Co-funder of the Find a pest app and communication of app to membership	
Emerging pest report	International scan of pest and disease risks to VNZI	
Emerging pest communication to growers	NZGrower article on emerging pest and how to notify any likely threat	
Biosecurity Response activity 2020/2021		3 active response as Governance member
CIMS training for response essentials		MPI workshop and training module on response essentials
Exploratory work with AgriChain on produce crates as a risk pathway for biosecurity	AgriChain paper Scoping paper for produce crates as vector for virus pathway	

AGM AGENDA

2021 ANNUAL GENERAL MEETING

Mystery Creek, Hamilton

4:15PM COMMENCE VNZI ANNUAL GENERAL MEETING

1. WELCOME
2. CONFIRMATION OF 2020 MINUTES 22
3. CHAIRMAN'S ADDRESS - ANDRE DE BRUIN
4. REMITS 26
5. FINANCIAL STATEMENTS 2020/2021 29
6. BUDGET 2021-2022 39
7. CONFIRM DIRECTOR ELECTIONS
8. VEGETABLE INDUSTRY SERVICE AWARD
9. GENERAL BUSINESS
10. CLOSE



DRAFT MINUTES

2020 ANNUAL GENERAL MEETING

Held on Friday 25th Sept 2020,
*Due to Covid-19 this meeting
was held by Zoom Webinar.*

Chairman Andre de Bruin, presided over 38 participants, quorum requirements met.

WELCOME

The Chair welcomed members and opened the meeting.

- Because of Covid-19 levels it was not practical to hold the meeting in Pukekohe as was arranged.
- The VNZI Constitution was reviewed and the VNZI Board have adopted a resolution to hold a digital meeting.
- No members are disadvantaged by on-line voting and voting procedures will be substantially complied with.
- VNZI will comply with the rules and principles of Incorporated Societies in holding and reporting this meeting.

MEETING PROCEDURES

Meeting procedures were outlined;

- The legal requirements to hold this meeting by zoom have been complied with;
- The meeting will be shorter than normal;
- Participants can make comments and raise questions using the zoom question and answer feature;
- If possible, comments and questions will be addressed during the meeting; alternatively, if not they will be followed by phone or email after the meeting;
- Voting will be completed using the zoom polling feature, with yes/no options; and
- The AGM will be recorded.

APOLOGIES

Apologies were received from:

- Brendan Herries, Lincoln, Root and Tuber Crop Advisory Group Member;
- Amrut Bhana, Pukekohe, Root and Tuber Crop Advisory Group Member;

IT WAS RESOLVED that the apologies be accepted.

Allen Lim / Kiran Hari

OBITUARIES

- John Seymour, General Manager of VNZI and PVNZ passed away on 3 March 2020.
- Noel May, VNZI Award of Merit Holder passed away on 10 January 2020.
- Allan Bell, Kaitaia;
- Lex Wilcox, Pukekohe;

As there were no other bereavements the Chair asked the meeting for one-minute silence as a mark of respect.

GENERAL BUSINESS

There were no other items of General Business

PROXY FORM

One proxy form received and directed.

DRAFT MINUTES OF THE 2019 AGM

The draft minutes of the 2019 AGM had been circulated on pages 25 – 29 of the meeting papers.

Remit 1

The draft minutes of the combined Vegetables New Zealand Incorporated AGM, held on Wednesday 31 July 2019 be taken as a true and correct record of that meeting.

VNZI Board / Nick Pollock

Supported: 73%

By adapting how we operate we've been able to continue on serving our industry and when I see how well our industry has dealt with the last year's challenges, changes and chaos I'm really confident that we can overcome any further challenges in the year to come.

So, I thank you all for a big effort this year."

Remit 2

That the Chair's report for the year ended 31 March 2020, as published in the Vegetables NZ Inc. AGM papers, be taken as read and adopted.

VNZI Board / Mike Parker

Supported: 79%

MATTERS ARISING

There were no matters arising.

CHAIRMAN'S 2020 ANNUAL REPORT

- A formal report was included on pages 7 – 10 of the meeting papers, and was taken as read.
- The Chair tabled the following:

"I take my hat off to you our growers who have continued to operate throughout the Covid -19 lockdown, to ensure New Zealanders' have quality, fresh and nutritious vegetables on their plate to eat. Your hard work, your commitment to social distancing and hygiene requirements have enabled an uninterrupted supply of quality vegetables to New Zealanders'. It's a massive credit to our industry that we have been able to achieve this.

To my Board and management of Vegetables NZ Inc thank you very much for your effort at these times. It has required a lot of patience, perseverance and a lot of work to ensure this year has been successfully managed.

VEGETABLES NZ (PRODUCT GROUP) FINANCIAL STATEMENTS - 2019/2020

- The transition between VNZ and VNZI was shown on page 32 of the meeting papers.
- In summary, the accumulated reserves held in HortNZ will diminish to zero in the next financial year. These funds have now been transferred to VNZI.

Remit 3

That the audited Vegetables NZ (product group of HortNZ) Financial Statements for the year ended 31 March 2020 be adopted.

VNZI Board / John Murphy

Supported: 85%

VEGETABLES NZ INC. FINANCIAL STATEMENTS - 2019/2020

- The VNZI 2019/20 Financial Statements are presented on pages 35-37 of the meeting papers.
- In summary, VNZI is showing reserves of \$1,552,462.

Remit 4

That the audited Vegetables New Zealand Incorporated Financial Statements for the year ended 31 March 2020 be adopted.

VNZI Board / Allen Lim

Supported: 90%

VNZI BIOSECURITY LEVY – 2020/2021

- This is a new levy that was adopted at the 2018 AGM, the levy order needed to go through a gazette process, with the support of the Minister and was made a biosecurity levy order this year, coming into effect on 10 August 2020.
- The VNZI Board has set the biosecurity rate at 0.05% on sales.

Remit 6

That the Biosecurity levy rate for fresh vegetables for the coming year be endorsed at 0.05%.

VNZI Board / Doug Nilsson

Supported: 95%

VNZI COMMODITY LEVY RATE FOR 2020/21

- There is no change to the current levy rate.
- The levy on NZ fresh vegetable sales is set under the Commodity Levies Act 1990 – Commodity Levy (Fresh Vegetables) Order 2019. That Order came into effect on 1 April 2019 and remains in place until 2025.

Remit 5

That the Commodity levy rate for fresh vegetables for the coming levy year remain at 0.30% for domestic sales, and 0.20% for export sales (FOB).

VNZI Board / Mark O'Connor

Supported: 100%

VNZI BUDGET – 2020/2021

- The 2020/21 VNZI Budget is presented on page 42 of the meeting papers.
- Points of interest:
 - > The Biosecurity levy has been included as a revenue line;
 - > 2019 Queensland Fruit Fly response cost is in this year's budget at \$143,000;
 - > Administration costs have been adjusted to reflect limited travel and face-to-face meetings for much of 2020 due to Covid-19;

Remit 7

That the Vegetables NZ Incorporated Budget for the year ended 31 March 2021 be endorsed.

VNZI Board / Leanne Roberts

Supported: 90%

APPOINTMENT OF AUDITORS

Remit 8

That BDO Wellington be appointed auditors for the financial year ended 31 March 2021.

VNZI Board / Warwick Simpson

Supported: 95%

GROWER REMIT – NZ GOURMET

- This motion is seeking a review process with a vote at the next AGM in 2021.
- To begin the review, Remit 9 must be adopted.

Remit 9

That TomatoesNZ and Vegetables NZ Inc. develop options for, an opportunity to vote on, combining covered crops under one representative product group or body.

Roelf Schreuder, NZ Gourmet Group of Companies / Leanne Roberts

Supported: 60%

NOMINATIONS & CONFIRMATION OF DIRECTORS

- There are two vacancies available for election this year.
- One serving Board member retiring by rotation and is available for re-election, Andre de Bruin, Dargaville.
- A nomination has been received for Nick Pollock, of Gisborne

As there are no opposing candidates Andre de Bruin and Nick Pollock were declared as Directors of VNZI. Congratulations was extended to Andre and Nick on their election.

The election of the Chair and Vice Chair for VNZI will be conducted at the first Board meeting following the AGM.

GENERAL BUSINESS

There was no further general business for discussion.

The webinar meeting concluded at 3:50pm.

AGM REMITS

2021 ANNUAL GENERAL MEETING

The following Remits will be considered at the Vegetables NZ Incorporated AGM, being held on Thursday 5 August 2021, at 4:15pm, at Mystery Creek Hamilton.

REMIT 1

That the draft minutes of the Vegetables NZ Inc. combined AGM held on Friday 25 September 2020 be taken as a true and correct record of that meeting.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

The draft minutes are included with the 2021 Vegetables NZ Inc. AGM papers, posted to all members and available at www.freshvegetables.co.nz.

REMIT 2

That the Chair's report for the year ended 31 March 2021, as published in the Vegetables NZ Inc. AGM papers, be taken as read and adopted.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

The Chair's report is included with the 2021 Vegetables NZ Inc. AGM papers, posted to all members and available at www.freshvegetables.co.nz.

REMIT 3

That the audited Vegetables NZ (product group of HortNZ) Financial Statements for the year ended 31 March 2021 be adopted.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

A copy of the Vegetables NZ financial statement is a component of the audited HortNZ financial statements and are included within the 2021 Vegetables NZ Inc. AGM papers, posted to all members and available at www.freshvegetables.co.nz.

REMIT 4

That the audited Vegetables New Zealand Incorporated Financial Statements for the year ended 31 March 2021 be adopted.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

The audited Vegetables New Zealand Incorporated Financial Statements are included with the 2021 Vegetables NZ Inc. AGM, posted to all members and available at www.freshvegetables.co.nz.

REMIT 5

That the commodity levy rate for Fresh Vegetables for the coming levy year remain at 0.30% for Domestic sales, and 0.20% for Export sales (FOB).

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

This represents no change to the current levy rate. The levy on NZ fresh vegetable sales is set under the Commodity Levies Act 1990 - Commodity Levy (Fresh Vegetables) Order 2019. That Order came into force on 1 April 2019 and remains in place until 2025.

REMIT 6

That the biosecurity levy rate for fresh vegetable domestic and export sales for the coming biosecurity levy year be endorsed at 0.05%.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

The Biosecurity (Readiness and Response – Fresh Vegetables Levy) Order 2020 came into force on 10 August 2020 with the first levy year being 10 August 2020 to 31 March 2021. For each subsequent levy year, the 12-month period starts on 1 April and ends on 31 March.

REMIT 7

That the Vegetables NZ Inc. Budget for the year ended 31 March 2022 be endorsed.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

A copy of the Vegetables NZ Inc. Budget for the year ended 31 March 2022, prepared for and approved by the VNZI Board, is included in the 2021 Vegetables NZ Inc. AGM papers, posted to all members.

REMIT 8

That BDO Wellington be appointed auditors for the financial year ended 31 March 2022.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

BDO Wellington were awarded the contract to complete the audit for Horticulture NZ and its contracted organisations (including Vegetables NZ Inc.) for the 2021-22 year, Vegetables NZ Inc. and Horticulture NZ intend to continue that arrangement.

REMIT 9

That members' support continuation of the status quo structure for Vegetables New Zealand Inc.

Proposed by the Vegetables NZ Inc. Board

Explanatory Note

At both the TomatoesNZ and Vegetables NZ Inc 2020 AGM's, a member remit proposed by Roelf Schreuder of NZ Gourmet and accepted by members requested "That TomatoesNZ Inc. and Vegetables NZ Inc. develop options for, and an opportunity to vote on, combining covered crops under one representative product group or body. "

To address the remit, a Covered Crops Merger Working Group made up of TomatoesNZ and Vegetables NZ Inc. members and an independent chair was established.

The working group met several times and developed three possible options, including: 1. Status quo structure (TNZ and VNZI) with closer cooperation; 2. A covered vegetable crop growers' body and a separate outdoor vegetable growers' body; and 3. One vegetable growers' body incorporating both covered and outdoor crops (including tomatoes).

However, the working group members' views were split over options 2 and 3, and it became clear that there could be no resolution on which was the preferred option to put to members. It was considered impractical to put three options to member consultation and vote, given the divergent views of the working group members.

Supporting this remit will confirm that a vote on alternative structures will not be held.

The Tomatoes NZ Board have also proposed that their members support the status quo structure, to be voted on by their members at the 2021 TomatoesNZ AGM. Option 1. "Status quo with increased cooperation" is being actively explored by TomatoesNZ and Vegetables NZ Inc.

SPECIAL PURPOSE FINANCIAL REPORTS

FOR THE YEAR ENDED 31 MARCH 2021

Profit & Loss with Budgets & Variances

Vegetables NZ - Horticulture New Zealand Inc

As at 31 March 2021

Description	YE 2021 Actual	YE 2020 YTD
Interest	0	18,192
Expenses	(418,606)	(1,117,030)
Surplus/Deficit	(418,606)	(1,098,838)

In YE 2021 the expense for Vegetables NZ in HortNZ was the payment to Vegetables New Zealand Inc for the provision of services to the vegetable growers in New Zealand.

ACCUMULATED RESERVES HELD IN HORTICULTURE NZ	YE 2021	YE 2020
Opening Balance	418,606	1,517,444
Surplus/Loss	-418,606	-1,098,838
Closing Balance	0	418,606

PREPAYMENT - VEGETABLES NZ Inc

At the inception of VNZI as a separate incorporated entity, funds were transferred from the VNZ Reserves held in HortNZ to fund VNZI's initial payments.

In subsequent years any surplus in VNZI has been recognised as Income in Advance in VNZ and as a Prepayment in HortNZ.

At March 2021 the Income in Advance in the VNZI financials was **\$0**.

The Prepayment in HortNZ (including interest) has been offset against the Accumulated Reserves held in HortNZ for VNZ Inc during the year ended March 2021.

In the 2020/21 year HortNZ contracted VNZI to provide services to the vegetable growers in New Zealand. The prepayment of \$418,606 (\$400,414 + \$18,192) was used to offset these payments.

INDEPENDENT AUDITOR'S REPORT

To the Members of Vegetables New Zealand Incorporated



Opinion

We have audited the financial statements of Vegetables New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 31 March 2021, and the statement of financial performance, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the accounting policies specified on page 36 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to page 36 of the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Society's members, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Society and the Society's members, as a body, and should not be distributed to or used by parties other than the Society or the Society's members. Our opinion is not modified in respect of this matter.

Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation of the financial statements in accordance with the accounting policies specified on page 36 of the financial statements and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED

Wellington, New Zealand
24 June 2021



Entity information

Vegetables New Zealand Incorporated
For the year ended 31 March 2021

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
KiwiWealth House
20 Ballance Street
Wellington 6011

Postal Address

PO 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 2021

	Note	2021	2020
REVENUE		\$	\$
Contract Income	1	400,414	1,117,030
Levy Income	2	1,279,583	1,153,539
Biosecurity Levy Income	2	119,751	
R & D Grants		-	9,181
Interest	3	19,149	1,102
Total Revenue		1,818,897	2,280,852
EXPENSES			
Research & Development		285,298	328,901
Biosecurity		166,214	-
Meetings & Travel		113,007	166,871
Office and Communications		282,175	280,789
Audit Fees		5,786	5,590
Promotion		320,884	341,952
Total Expenses		1,173,365	1,124,103
Surplus for the Year		645,533	1,156,750

Statement of Financial Position

As at 31 March 2021

	Note	2021	2020
ASSETS		\$	\$
Current Assets			
Bank accounts and cash	4	1,713,546	1,552,462
Debtors and prepayments	6	258,452	225,880
GST Receivable		6,578	-
Total Current Assets		1,978,576	1,778,342
LIABILITIES			
Current Liabilities			
Creditors and accrued expenses		176,294	202,251
GST Payable		-	18,927
Income in Advance	1	-	400,414
Total Current Liabilities		176,294	621,592
Total Assets less Total Liabilities (Net Assets)		1,802,283	1,156,750
Accumulated Funds			
Accumulated Funds		1,848,746	1,156,750
Biosecurity Reserve	8	(46,463)	-
Total Accumulated Funds		1,802,283	1,156,750



ANDRE DE BRUIN
VNZ Inc. Chair & Director
24 June 2021



MIKE PARKER
VNZ Inc. Vice Chair & Director
24 June 2021

Statement of Cash Flows

For the year ended 31 March 2021

	Actual 2021	Actual 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was received from:		
Contract Income	-	988,307
Levy Income	1,341,506	930,909
Other Income	-	9,181
Interest	19,149	1,102
Cash was applied to:		
Payments to suppliers	1,199,571	1,060,455
Net Cash Flows from Operating Activities	161,084	869,044
Net Cash Flows from Investing and Financing Activities	-	-
Net Increase/(Decrease) in Cash	161,084	869,044
Opening Cash	1,552,462	683,418
Closing Cash	1,713,546	1,552,462
This is represented by:		
Bank Accounts and Cash	1,713,546	1,552,462

Statement of Accounting Policies

For the year ended 31 March 2021

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 meet the needs of the members.

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 Inc has a memorandum of understanding with Horticulture New Zealand Inc to provide services of benefit to vegetable growers in New Zealand. Funding is provided to Vegetables New Zealand Inc 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.

Levy Revenue

Levies are non-exchange revenue and accounted for on an accrual basis when the growers' declaration is received.

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 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. Funding is recognised as income when received if there are no refundable conditions attached.

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.

Notes to the Performance Report

For the year ended 31 March 2021

Note 1: Horticulture New Zealand Contract Revenue	\$ This Year	\$ Last Year
Income in Advance Opening Balance	400,414	529,137
Contract Funding provided throughout the year	-	988,307
Unspent contract income	-	(400,414)
	400,414	1,117,030

As disclosed in the accounting policies Vegetables New Zealand Incorporated has an agreement with Horticulture New Zealand Incorporated to undertake the activities specific to the vegetable industry and previously undertaken by the Vegetables NZ Product Group. Vegetables New Zealand Inc has agreed to ensure any funding it received 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 17 of the Commodity Levies (Vegetables and Fruit) Order 2019.

Note 2: Levy Income	\$ This Year	\$ Last Year
Levy Income collected throughout the year	1,279,583	1,153,539
Biosecurity Levy Income collected throughout the year	119,751	-
	1,399,335	1,153,539

From 1 April 2019 Vegetables New Zealand Incorporated received funding through the Commodity Levies Fresh Vegetables Order 2019.

From 10 August 2020 Vegetables New Zealand Incorporated received funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020.

Note 3: Interest	\$ This Year	\$ Last Year
BNZ	956	1,102
Horticulture New Zealand	18,193	-
	19,149	1,102

Interest is earned on deposits held with BNZ. Interest was received from Horticulture New Zealand Incorporated from funds held on behalf of the Vegetables Product Group for the year ended March 2020.

Note 4: Bank Accounts and Cash	\$ This Year	\$ Last Year
BNZ Current Account	1,694,670	1,533,593
BNZ Autocall	18,876	18,869
	1,713,546	1,552,462

Interest is earned at 0.05% in the current account. As at balance date there were no overdraft facilities or any other banking arrangements in place with BNZ.

Vegetables New Zealand Incorporated

Note 5: Taxation	\$ This Year	\$ Last Year
Taxable Income	-	-
Tax is payable at 28%	-	-
	-	-

Vegetables New Zealand was incorporated on 24th December 2014. Trading started from 1 April 2015.

Note 6: Debtors and Prepayments	\$ This Year	\$ Last Year
Trade Debtors	258,452	225,880
	258,452	225,880

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:	\$ This Year	\$ Last Year
Contract Funding Provided	-	988,307
Accounts Receivable Outstanding at Year End	359	48,000
Income Received in Advance	-	(400,414)
Funding Provided to Vegetable Research & Innovation Board	169,472	205,441
Funding Provided to Vegetables.co.nz	300,000	320,000
Conference and Administrative Services Provided	310,780	364,313
Administrative Services Outstanding Creditor at Year End	78,208	177,380

Mike Parker is on the Vegetable Research & Innovation Board. Andre de Bruin and Kiran Hari are on the Board of Vegetables.co.nz. They are all on the Board of Vegetables New Zealand Inc.

Vegetables New Zealand Inc provides funding to the Vegetable Research & Innovation Board and Vegetables.co.nz via Horticulture New Zealand Inc.

There were no amounts outstanding at year end to either of these organisations.

John Murphy and Allen Lim are on the NZ Gap committee which operate under Horticulture New Zealand Inc.

Kathryn de Bruin, the wife of Andre de Bruin the Chair of Vegetables New Zealand Inc is a director on the Board of Horticulture New Zealand Inc.

All elected Directors are growers and pay levies through the entities they are associated with.

Note 8: Biosecurity Reserve

	\$ This Year	\$ Last Year
Biosecurity Reserve Opening Balance	-	
Biosecurity levy income collected throughout the year	119,751	-
Biosecurity expenses paid throughout the year	(166,214)	
	(46,463)	-

Vegetables New Zealand Incorporated (VNZI) represents the commercial vegetable sector under Part 5A of the Biosecurity Act 1993. Part 5A concerns agreements between government and industry organisations to deal with unwanted organisms, including agreements for jointly funding the costs of readiness and response activities.

VNZI receives funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020. VNZI must spend the levy money to meet its commitments in contributing to the costs of readiness and response activities under the Government Industry Agreement for Biosecurity and Response deed signed by VNZI on 18 November 2016 and any other operational agreement of the kind referred to in Part 5A of the Act that is made between the Director-General and Vegetables New Zealand Inc.

Note 9: Commitments and Contingencies**Commitments**

Vegetables New Zealand Inc signed a subcontract agreement in April 2020 for the 'A Ligher Touch' Sustainable Food and Fibre Futures project to contribute \$585,582 over the next 6 years. Vegetables New Zealand Inc is committed to \$254,184 to the SVS project over the next 4 years (Last Year - \$653,179).

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil).

Note 10: 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).

Note 11: Covid19

There will still be an impact on the next financial year due to availability of employees and sales restrictions caused by Covid19. Vegetables New Zealand Inc will reduce their expenditure to reflect this. Vegetables New Zealand Inc has reserves to call on if required.

Budget 2021/22

DESCRIPTION	BUDGET 21/22
INCOME	INCOME \$
Levy Income (Domestic & Export)	1,250,000
Levy GIA / Biosecurity	120,000
	\$1,370,000
INDUSTRY RESEARCH & DEVELOPMENT	EXPENSES \$
VR&I Board Management & Administration	57,000
VR&I Research Projects	100,546
A lighter Touch	128,000
VNZI Research Projects & Proposals	100,000
GIA / MPI Biosecurity	54,600
GIA biosecurity response	65,000
All Consultancy (including, MAS, EPA & Careers/labour)	59,500
	\$564,646
MEETINGS & TRAVEL PG EXPENDITURE	
Conference VNZI AGM - Hamilton - Mystery Creek	62,000
Chair's Retainer	40,000
VNZI Board Meetings - Directors Daily Fee (Retainer)	28,000
VNZI Board Meetings - Travel & Expenses	27,000
All Other Meetings - Travel & Expenses	4,500
All Other Meetings - Daily Fees	21,000
Overseas Travel	0
Grower Visits	8,000
	\$190,500
OFFICE & COMMUNICATIONS	
Office Overheads & Levy Collection	55,100
NZ Grower Magazine Contribution	28,000
Printing & Stationary	260
General Expenses	2,600
Postages including mail outs	4,300
Photocopying	5,000
VNZI Staff salaries (incl HortNZ staff allocation)	181,000
District Association Grants	9,000
Telephone & Tolls	3,000
Legal / accounting / audit advice	5,000
VNZI Website	4,000
	\$297,260
PROMOTIONS	
Vegetables.co.nz contribution	300,000
Promotions/Sponsorships/Other	22,000
People capability and training	1,500
	\$323,500
TOTAL EXPENSES	\$1,375,906
SURPLUS / DEFICIT	-\$5,906

[illegible]

Vegetables New Zealand Inc

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