

# Vegetables

*NEW ZEALAND Inc.*

**2022**



YEAR ENDED 31 MARCH 2022

## ANNUAL REPORT & AGM PAPERS

# OUR 2022 BOARD



**JOHN MURPHY**  
Chair,  
Grower representative,  
Murphy's NZ Ltd  
Blenheim



**ALLEN LIM**  
Vice Chair,  
Grower representative,  
Observer TomatoesNZ Board,  
NZGAP representative  
Jade Garden Produce Ltd  
Christchurch



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



**LEANNE ROBERTS**  
Grower representative,  
NZGAP representative  
Thymebank (2013 Ltd)  
Blenheim



**KIRAN HARI**  
Vegetables.co.nz  
representative  
Pukekohe



**NICK POLLOCK**  
Grower representative,  
Board representative for  
Vegetable Research &  
Innovation Board (VR&I)  
LeaderBrand Produce Ltd  
Gisborne



**WARWICK SIMPSON**  
Grower representative,  
Simpson Gardens Ltd  
Ruawai



**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 New Zealand office, in Wellington.



# CONTENTS

DASHBOARD	3
CHAIRMAN'S REPORT	5
GENERAL MANAGER REPORT	7
OUR LANDSCAPE	11
ANNUAL GENERAL MEETING (AGM) AGENDA	15
DRAFT MINUTES OF THE 2021 AGM	16
2022 REMITS & RESOLUTIONS	20
FINANCIALS (YEAR ENDED 31 MARCH 2022)	25
2022-2023 DRAFT BUDGET	34



# DASHBOARD

## VEGETABLES.CO.NZ

### EDUCATION



3

school visits



1

new lesson plan  
(Asian Veg)



2

Seminars for teachers  
(Wgtn, ChCh)



"All topics excellent  
– engaging &  
relevant"

"Great to  
have new  
resources"

### GENERAL COMMUNICATIONS



250k

Website users



510k

Website views



2,250

E-newsletter subscribers  
(2.5% increase)



37%

E-newsletter open rate  
(2021 rate = 28%)



20,000

Facebook followers  
(static)



2,350

Instagram followers  
(60% increase)



852

Youtube  
Subscribers  
(40% increase)

57k

Youtube  
views



1

New grower video  
- Carrots

### RESOURCE CENTRE

How much & how often do we send



- 52% Health
- 13% Community
- 20% Education
- 15% Other

### COLLABORATIVE PROJECTS



Food Skills for Life programme



Simon Gault Summer Series

### ACTIVE RELATIONSHIPS



Masterclass at conference -  
Asian Vegetables  
Newsletter content



Stand at 2 conferences



Key speaker at conference



Supporter of culinary  
competition  
Focus - carrots

# NEW ZEALAND GOOD AGRICULTURAL PRACTICE (NZGAP)

## PROGRAMMES + INVOLVEMENT

### NZGAP



**721**

certified

### NZGAP GLOBAL G.A.P. EQUIVALENT



**39**

certified

### GRASP



**22**

certified

### SOCIAL PRACTICE



**19**

certified

**285**

registered

**7,4k**

workers

### ENVIRONMENT MANAGEMENT SYSTEM



**19**

certified

**51**

registered

**28k<sup>ha</sup>**

registered area

## VEGETABLE RESEARCH & INNOVATION (VR&I)

### PROJECTS, VALUE AND SUPPORT

The Vegetable Research & Innovation Board is responsible for the governance of Horticulture New Zealand's vegetable research and innovation activities. The core purpose of the VR&I Board is to underpin sustainable growth of the vegetable sector. The VR&I Board aims to achieve this by developing, resourcing, and managing a cross-sector research and innovation portfolio and communicating the results of this research to industry stakeholders.

The VR&I strategy aims to balance short-term 'business as usual' activities with strategic research and innovation that will drive vegetable sector growth. Each of the research themes acts as the framework for directing research to address; sustainability issues, climate change and management of land, water and air through the Environmental Stewardship theme; improving the availability and use of crop protection approaches through the Crop Protection theme; benchmarking performance and best practice across the vegetable sector through the development of appropriate measures under the Common Reporting Framework theme.



**3**

#### Completed projects

- Crop protection strategy 2021
- 2021 monitoring of biosecurity risks
- Vegetated buffer strips fact sheet



### 3 key pillars

#### Research pillars underpin the VR&I strategy

- Environmental stewardship
- Crop protection
- Common reporting framework



**17**

Projects supported  
during 2021



**19**

Publications/reports/outputs  
produced from projects



**32x**

R&D value that VR&I  
investment is leveraging



**\$20.7m**

Research activity underway  
in 2021 (total project value  
for the lifetime of the  
project), VR&I contributing  
\$643k to these projects.



**\$356,000**

Annual VR&I  
investment in  
projects for 2021



**\$9.7m -  
\$2,000**

Total value range of  
the projects underway

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# THE CHAIRMAN'S REPORT

by John Murphy

## New Zealand commercial vegetable growers have put in a massive effort over the last year in what has been a challenging season.

Growers have seen a seemingly inevitable advance of regulation. Among other issues, restricted immigration settings, another minimum wage hike, and a myriad of local authority restrictions are limiting the vegetable sectors viability.

Beyond the cost, the great pity of advancing restrictions is that they take our focus off what we do well – growing food for New Zealanders and the world.

**Q: Do new policies make a meaningful contribution to the well-being of our people, the land, and consumers? Or do they jeopardise food production while providing dubious benefit?**

For generations vegetable growers have protected the land while providing food for New Zealanders. Growers will continue to do so if commercial conditions and regulations allow it.

The past year has also seen rampant farm inflation alongside intense public scrutiny on vegetable pricing. Increases in prices on-shelf do not mean our growers are doing particularly well, weather conditions, Covid-19, and supply chain issues have all played their part, with shortages and flushes of product ultimately determining average prices.

The good story in all of this is that despite big input price increases, New Zealanders can still buy a lot of New Zealand grown vegetables for relatively good prices. Twenty dollars of in-season vegetables is a lot of food. It is only four flat whites.

To an extent, the Commerce Commission Market Study into the Retail Grocery Sector will address some market conditions, but it was definitely more preoccupied with the role of the two major players in the supermarket sector.

It is concerning that the role of the entire value chain wasn't considered in more detail. Should rural suppliers, transporters, wholesalers, retailers and consultants all be basically cost-plus, while vegetable growers sell in a dynamic market subject to supply and demand? Do we know as much about the market as the players in the supply chain and are we being well served by those we pay for services, be they suppliers or wholesale agents?

Ultimately, are growers getting their share of value out of the supply chain, or are growers taking the most risk, but not getting the reward? Growers' individual operations need to make the right return to be commercially viable on an ongoing basis, or otherwise we simply have to stop growing.

The current regulatory and commercial environment has resulted in VNZI's scope of work increasing significantly. Thank you to our Board, Crop Advisory Group members, and engaged growers who have worked very hard alongside our capable Wellington-based staff to cover the broad range of issues that affect our industry.

I would like to specifically thank Mike Parker as he retires as a VNZI Director. Mike has had an extensive workload leading our agri-chemical assessments and standards, as well as research activity. He has been determined to make a difference in everything he has done for the sector, alongside working every day to bring his own good product to market.

Vegetables New Zealand Inc benefits hugely from people like this who go above and beyond, investing their own time to steadfastly support our industry. Growers have also continued to be represented ably by the likes of Stuart Davies representing VNZI on 'A Lighter Touch' (ALT), and Mike Chapman's focus on the Retail Grocery Sector study and labour issues. Thank you to all of you who have done your bit.





MIKE PARKER

Following sensible financial stewardship by previous Directors, VNZI is in the privileged position of having good funds available to make headway against the increasing scope of issues that face our growers. This should allow VNZI to invest in projects that support growers businesses, as well as push the boat out where our individual members cannot.

Vegetable growers have told us unequivocally that the product groups must work better together because we represent the same growers. Like VNZI, Potatoes NZ and Onions NZ are eager to collaborate – there is very real enthusiasm across the sector to get more done for our members. Covered Crops and TomatoesNZ share many projects and now have a clear shared purpose to enable all growers of crops undercover to remain viable and do well in an increasingly difficult landscape.

Vegetables New Zealand Inc and Process Vegetables New Zealand have continued to have a natural synergy, representing the same growers while sitting comfortably at the same table. Looking ahead, it is only sensible for us to formalise how we share resources so that we can represent our growers and drive programmes more effectively.

**Q: So what's next?**

Vegetable New Zealand Inc's job is to make it easier for growers to thrive in their businesses. As growers we need to have access to the tools that prove we are operating well and make it easier to farm and market our produce.

Thirty percent of VNZI revenue is spent on running VNZI. This spend is important. It is essential that VNZI is well-run so that our growers have a voice, advocate well, and deliver grower centered research.



Clearly though, VNZI must focus on core activity – undertaking research and enhancing the profile of New Zealand vegetable growers. We must be better advocates, so that our story is heard. We must front regulators when they perform, and when they do not.

Vegetables New Zealand Inc needs a laser-like focus on delivering to growers. Everything VNZI does must ultimately translate to improvements on farm and in markets. VNZI research programmes have to deliver for business.

The vegetable industry is a complex mix of individuals with, at times, divergent views on what is good for their business and their family. To deliver what growers need, we need your feedback about how **your** industry funded product group can help you.

Vegetables New Zealand Inc has the foundation to focus on what growers need and to deliver solutions to them. If we allow growers to get on with what they do best, there should be exciting times ahead for the New Zealand vegetable industry.



**John Murphy**  
**Chair, Vegetables New Zealand Incorporated**

M: 027 458 4670

E: [john@garlic.co.nz](mailto:john@garlic.co.nz)

# THE GENERAL MANAGER'S REPORT

by Antony Heywood

## KEY HIGHLIGHTS FROM 2021-2022 PERIOD:

1. Conference 2021
2. Farewell to Andre de Bruin
3. New Chair – John Murphy
4. Mitigating risks to VNZI
  - a. Engagement with stakeholders (website and information systems)
  - b. Nitrogen management (FEP / SVS)
5. Biosecurity responses
6. Vegetables.co.nz

The Horticulture Conference 2021 was a highlight of the year for VNZI. VNZI started the conference with a grower dinner on Wednesday night for its members. This was followed by technical sessions covering – IPM technologies, crop protection advancements and nitrogen budgets. The vegetable technical session, the morning of day one, was attended by over 100 delegates.

The VNZI AGM at the end of day one was also the final official act of Andre de Bruin, as Chairman of VNZI. Andre delivered a valour dictum speech which covered off the issues and personalities of the industry, and the tireless service of some key players. Andre served six years as the Chair of VNZI.



VNZI AGM 2021



VNZI SPEAKERS AT AGM 2021





With the retirement of Andre, the VNZI Board elected John Murphy as Chair. John brings a different style and energy to VNZI. Covid-19 had changed how we interact and engage with stakeholders, and as a result a digital landscape has been embraced by the VNZI Board and industry.

Vegetables New Zealand Inc updated and refreshed its website to allow for more engagement with stakeholders. Not only has the content been updated, it will be easier to navigate, with an effective search function. The new platform also delivers better security.

Vegetables New Zealand Inc is mindful that data interoperability is a key function of any new information system. The feature of data interoperability '*only writing it once*' should be embraced by growers. Growers are continually asked to supply information, so if VNZI can streamline this process, it is a win for everyone. When VNZI moves over to a new information system in 2022–2023 to better manage levy and membership data, permissioned data under a data interoperability policy will be actioned. This will give its members the opportunity to use the resources of VNZI data to meet their own data outcomes for regulation and benchmarking.

Nitrogen management on farms is still a major priority for VNZI research objectives. VNZI is addressing nitrogen leaching in two ways. The first is getting growers to adopt NZGAP EMS to obtain Farm Environment Plans (FEP). VNZI has supported HortNZ in the roll-out of FEP in Horowhenua, Gisborne, Auckland, Northland and now Nelson. Nelson vegetable growers are currently working with a farm advisor and Tasman District Council (TDC) to develop their FEPs, and promote good to best management practice for soil erosion and sediment control, nutrient management, water management and biodiversity.



RETIRED CHAIRMAN, ANDRE DE BRUIN

YOUR INDUSTRY

## FRESHWATER FARM PLANS FROM A GROWER'S PERSPECTIVE

Anne Hardie

Pierre Gargiulo is using the NZGAP system with the EMS add-on to develop a Freshwater Farm Plan for a vegetable growing business.

**As the government works on the direction of the national Freshwater Farm Plan regulations, Pierre Gargiulo has been working through his plan to show how the Environment Management System (EMS) add-on to GAP (Good Agricultural Practice) can do the job on the large-scale vegetable growing operation he manages in the Tasman region.**

National regulations for the Part 9A Freshwater Farm Plans (FWFP) are being drafted by the government and expected out later this year. They will provide details about where and when those plans will be required, as well as content and aspects such as auditing and certification. The Freshwater Farm Plan regulations are aimed at better controlling the effects of farming on freshwater across the country. Farms and orchards with five or more hectares of horticultural land will need a FWFP, including owned and leased blocks.

HortNZ advocates for the GAP programmes - NZGAP and GLOBALG.A.P. - to deliver FWFPs for horticulture as growers already have those structures in place and they are working well.

More than 90 percent of commercial fruit and vegetable growers in New Zealand have a GAP farm plan for food safety and have access to environment modules such as the EMS add-on. HortNZ considers an alignment between the regulations and horticulture's GAP programmes will enable growers to continue meeting market and regulatory compliance in an integrated and effective way.

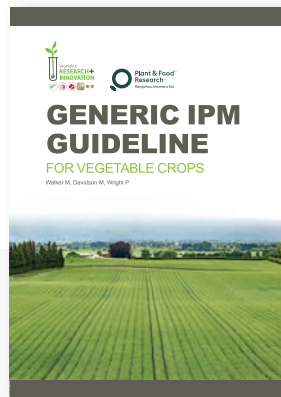
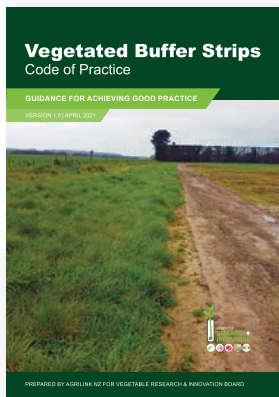
Pierre is general manager at JS Ewers on Tasman's Waimea Plains, which grows 12ha of tomatoes, capsicums and eggplants under glass and 19 lines of fresh outdoor vegetables across 220ha. He is also running one of two catchment case studies on the plains with HortNZ and has been developing a FWFP using the EMS add-on to GAP.

"I've always been a believer you're best to do this under your own steam and get on to it early," he says. "If we start proving these systems are effective and working, it highlights we're doing the right thing ahead of any government regulations."

Growers can choose to devise a FWFP in-house or to use an advisor. When developing the plans, Pierre enlisted Agrilink advisor Andrew Barber, who had been involved with designing and testing the EMS add-on, to guide the business through the process. He also put together an experienced team to work alongside Andrew as they had a good understanding of the growing operation and the Waimea Plains.

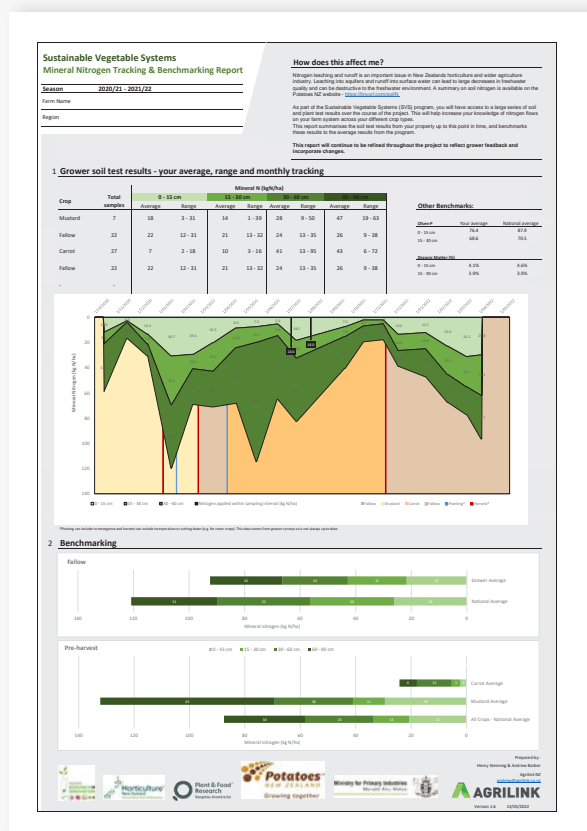
26 NEWSPAPER APRIL 2022

NELSON GROWERS COMPLETING FARM ENVIRONMENT PLANS



## VR&I CODE OF PRACTICE AND IPM GUIDELINES

The other area VNZI is undertaking nitrogen research is with the Sustainable Vegetable Systems project. This is a four-year project funded by the Ministry for Primary Industry (MPI) and industry to better understand nitrogen flows and build a grower focused nitrogen management tool, to help deliver best practice on nitrogen use. This will support the nitrogen management elements of FEPs and in turn provide the evidence required for the regulatory changes ahead.

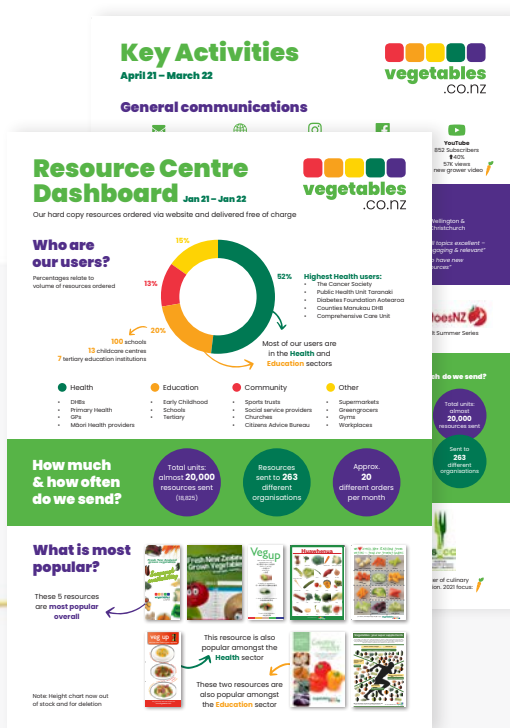


SVS IS TRACKING SOIL MINERAL N AND CROP N AT MONTHLY INTERVALS. THESE INDIVIDUALISED BENCHMARKING REPORTS FORM THE BASIS FOR NITROGEN MANAGEMENT DISCUSSIONS AND DECISIONS.

## Biosecurity Commitments 2021–2022:

VNZI Commitment	Readiness	Response
Priority Pest Review	Annual report of priority pests likely to effect the economic viability of VNZI members	
Find a pest	Co-funding of the resource	
Active responses in the period		2 pest incursions
TRSM		TRSM
ToBFRV		Black-grass
PepMV		2 virus incursions
Black-grass		ToBVFV
		PepMV
Governance: QFF OA		
Deed Governance review		
BMSB OA		
Biosecurity Act review		
BMSB simulation exercise	Active participation in simulation	
PepMV – long-term management	Irrigation water research project. Produce crate hygiene protocols for virus mitigation	





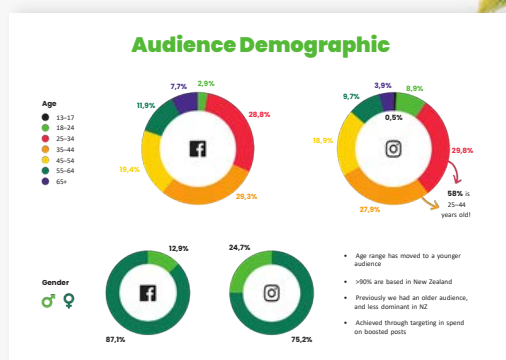
VEGETABLES.CO.NZ KEY ACTIVITIES AND RESOURCE DASHBOARD

### The Details

Simon Gault's YouTube channel

	Reach	Views	Engagement
Cucumber Video	8.1K	9984	4.3K
Cucumber Reel	3154	3136	14
Beans Video	8.2K	4425	460
Beans Reel	2335	2488	61
Courgette Video	6.8K	3815	1.3K
Courgette Reel	1711	1757	30
Carrot Video	713	2258	64
Carrot Reel	975	1015	19
<b>Totals</b>	<b>23,610</b>	<b>28,887</b>	<b>6,124</b>

Total spend across the campaign on boosted posts was \$380



VEGETABLES.CO.NZ 2022 SOCIAL MEDIA RESULTS REPORT

Vegetables.co.nz will be showcasing a new website in 2022. A deep dive into Vegetables.co.nz resources revealed the most commonly downloaded resource is *Seasonal Availability*.



**Antony Heywood**  
General Manager, Vegetables New Zealand Incorporated

M: 021 998 038

E: antony.heywood@hortnz.co.nz



# OUR LANDSCAPE

## VEGETABLES NEW ZEALAND INC.

### **VNZI HIGHLIGHTS IN 2021-2022, AND WHAT THIS MEANS FOR THE FUTURE:**

- 1.** VNZI manifesto – activity to plan
- 2.** VNZI extra contribution to Sustainable Vegetable Systems project
- 3.** Emission levels for growers – a tool to model nitrogen flows in vegetable crops
- 4.** Waimea Plains Nelson Farm Environment Plans underway
- 5.** Retail Grocery Study – outcomes for growers include Code of Conduct, conflicts resolution and Grocery Adjudicator
- 6.** Decarbonisation planning for covered crop growers

The VNZI manifesto highlights the issues VNZI will focus its resources on. The annual workplan uses the pillars in the manifesto to ensure key performance measures deliver appropriate VNZI output. Incorporated into the performance measures are the outputs of VR&I and Vegetables.co.nz. VNZI, as a major contributor to both VR&I and Vegetables.co.nz, needs alignment between the three outputs, deriving value for its growers.



# OUR MANIFESTO 2021-2022

freshvegetables.co.nz





NEW VNZI WEBSITE

## In the media

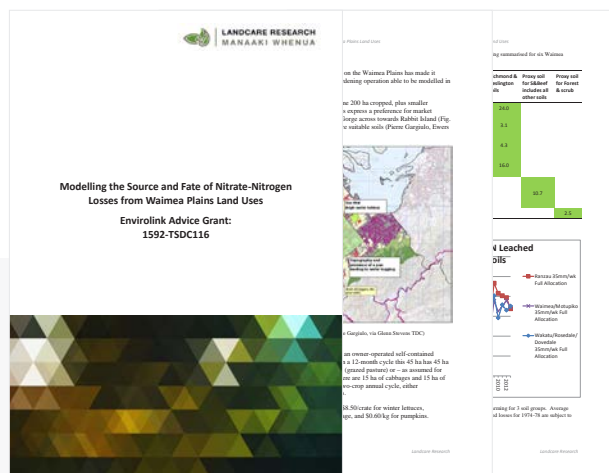
Vegetables New Zealand Inc has an active communications plan which is starting to bear fruit and vegetables. John Murphy features regularly in the media to explain the position most growers are facing.

- <https://www.rnz.co.nz/national/programmes/morningreport/audio/2018841772/winter-vegetable-supplies-expected-to-be-stable-growers>
- <https://www.spreaker.com/user/nzme/john-murphy-vegetables-new-zealand-direct>
- <https://www.stuff.co.nz/national/explained/300586183/the-grocery-gauge-the-changing-face-of-food-prices-and-whats-behind-it>
- <https://www.rnz.co.nz/national/programmes/ruralnews/audio/2018841607/morning-rural-news-for-12-may-2022>

The new website offers all viewers the suite of new tools and resources associated with Vegetables New Zealand Inc. Of primary need for the new site was a workable search function. The other key useable feature were direct links to VNZI sister websites – Vegetable Research and Innovation and Vegetables.co.nz. A direct link to both those sites opens up the full scope of resources Vegetables New Zealand Inc has been building over the last 20 years.

- VR&I is available under the research tab
- Vegetables.co.nz is available under the education tab

Sustainable Vegetable Systems (SVS) was covered in the 2021 annual report. What is of key importance with this project now is the grower facing tool will be critical to meet the new regulation on freshwater standards.



LANDCARE RESEARCH REPORT

Growers are facing issues to gain consent for growing vegetables under nitrogen leaching limits. This has not been helped by a report which has removed Overseer as a suitable modelling tool in its current state. A grower facing tool developed under the SVS project will be an important tool to prove nitrogen best practice for vegetables. For this reason, VNZI has agreed to increase its funding in Sustainable Vegetable Systems to ensure partner equity and ensure the project meets its timelines with no restrictions on budget.

Waimea Plains growers in Nelson are working with Tasman District Council (TDC) to ensure effective allocation of water. The demand from water use on the Waimea Plains is oversubscribed. Given the state of water demand and the issues with nitrogen leaching, the TDC / horticultural growers are surveying water and nutrient use to determine effective limits. The key function of the survey is to gather information that will feed into Farm Environment Plans (FEP) for the growers to use to support their applications for consent in water and land use.

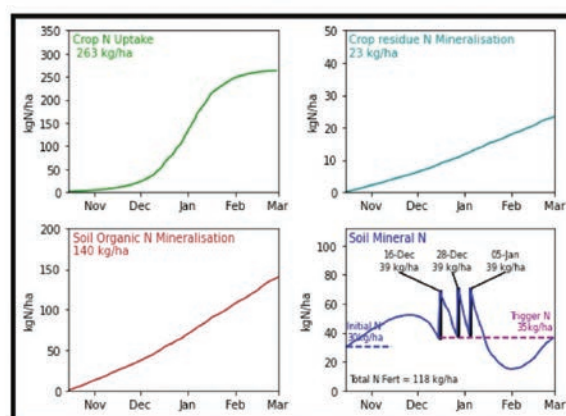
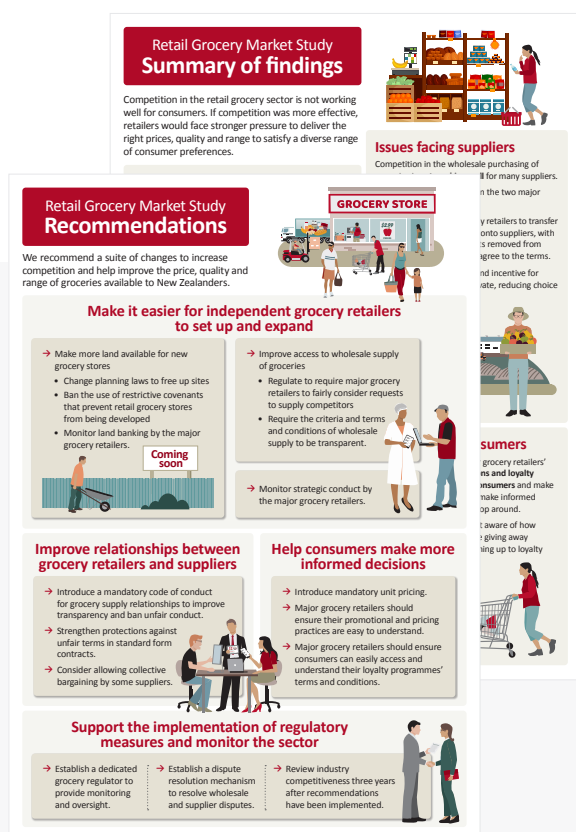


Figure 8. Output from prototype farmer-facing tool, providing indication of prediction for soil N supply to optimise fresh market potato yield in the Canterbury Vegetable rotation.





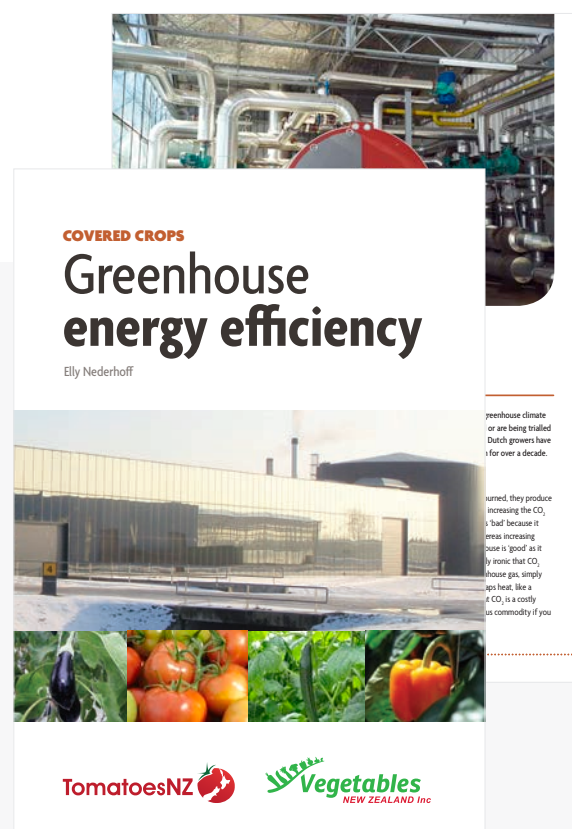
GOVERNMENT GROCERY STUDY

The final report on the government's Retail Grocery Study was delivered in March 2022. Feedback on this report is sought from all submitters before going to the Minister for evaluation and adoption. The Minister may seek to use or limit the recommendations of the report, but VNZI is confident that a number of recommendations will be adopted:

1. Code of Conduct
2. Grocery Industry Independent Adjudicator
3. Disputes resolution

Vegetable New Zealand Inc strongly submitted on the above points for adoption toward a more transparent and fair supply chain for produce. Australia and the United Kingdom have both adopted a similar set of practices for the grocery trade and the results have seen better and more equitable relationships between the trading parties.

The Climate Change Response (Zero Carbon) Amendment Bill seeks to provide a framework by which New Zealand can develop and implement clear and stable climate change policy that contributes to the global efforts under the Paris Climate Agreement to limit the global average temperature increase to 1.5°C above pre-industrial levels. This allows New Zealand to prepare for, and adapt to, the effects of climate change.



COVERED CROP GREENHOUSE ENERGY EFFICIENCY E-BOOK

## Zero carbon emission by 2050

The mechanism for the government to achieve zero carbon emissions is with emissions budgets. The plan suggests a series of steps needed to reduce CO<sup>2</sup> over the next 20 years.

Vegetables New Zealand Inc plan to take greenhouse heating emissions from 211,000t/CO<sup>2</sup> per year to 6,072t CO<sup>2</sup> per year by 2040.

Vegetables New Zealand Inc with the help of EECA is working with growers to initiate an Energy Transitional Plan for the covered crop industry. Part of the initial work was to scope the energy demand of the industry. This gave a CO<sup>2</sup> emission number (211,000t) for the industry to mitigate. Elly Nederhoff produced an International Scan on energy efficiency for growers to adopt before energy solutions could be considered. Once a final energy demand is known growers can review the energy options on what source of energy would best suit their operations.

Elly Nederhoff has worked with the Covered Crop Industry and EECA to produce an e-book which can be found here: <https://dl.bookfunnel.com/bb6l8oi4bg>

# AGM AGENDA

## 2022 ANNUAL GENERAL MEETING

Wednesday 27<sup>th</sup> July 2022,  
2:45pm – 3:15pm  
Pukekohe Events Centre,  
55 Ward Street, Pukekohe

**2:45PM**      **COMMENCE** VNZI ANNUAL GENERAL MEETING

**WELCOME**

**CONFIRMATION OF 2021 MINUTES** **16**

**CHAIRMAN'S ADDRESS** - John Murphy **5**

**REMITTS & RESOLUTIONS** **20**

**FINANCIAL STATEMENTS 2021/2022** **25**

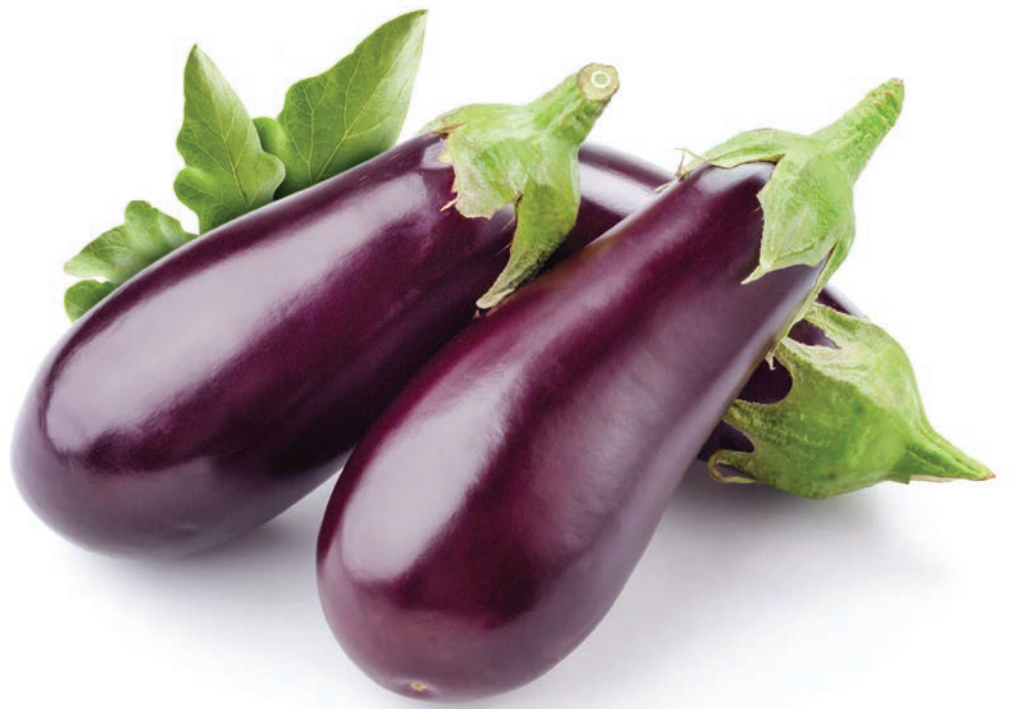
**BUDGET 2022-2023** **34**

**CONFIRM DIRECTOR ELECTIONS**

**INDUSTRY SERVICE ACKNOWLEDGEMENTS**

**GENERAL BUSINESS**

**3:15PM**      **CLOSE**



# DRAFT MINUTES

## 2021 ANNUAL GENERAL MEETING

Thursday 5<sup>th</sup> August 2021,  
4:15pm  
Mystery Creek, Hamilton

Chairman Andre de Bruin, presided over 47 participants, and noted quorum requirements were met.

### WELCOME

The Chair welcomed members and opened the meeting.

- Housekeeping matters were covered;
- A register for attendees to complete was being circulated;
- The Chair acknowledged the following sponsors for their very generous support, without them we would not be able to hold this event;

### SPONSORS

**Platinum** Countdown

**Gold** Plant & Food Research;  
United Fresh New Zealand Incorporated

**Silver** Jenkins Freshpac Systems Ltd;  
T&G Global

**Bronze** Fruitfed Supplies  
Hill Laboratories  
Horticulture Group  
MG Marketing  
New Zealand Kiwifruit Growers Inc  
Rabobank  
The Recruitment Network  
TradeWindow  
WaterForce  
Zespri Kiwifruit

### PROXY FORM

One proxy form received and directed.

### GENERAL BUSINESS

There were no other items of General Business.

### APOLOGIES

Apologies were received from:

- Antony Carter, Kaiapoi – Covered Crops CAG;
- Ben Conning, Nelson – Leafy CAG;
- Pat and Gaye Murphy – Blenheim;
- Mark O'Connor, Richmond – Brassica CAG;
- Leanne Roberts, Blenheim – VNZI Board Director;
- Roelf Schreuder, Auckland – Covered Crops CAG, NZ Gourmet;
- Chris Sinnott, Kaiapoi – VNZI Life Member;
- Bob Francis, Waimauku - Stalks, Vines, Bulbs & Herbs;

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

**Warwick Simpson / John Murphy**

### OBITUARIES

- Ron Gall, former Business Manager of VNZI. Ron passed away on 24 May 2021.

There were no other bereavements. The Chair asked the meeting for a moments silence as a mark of respect.

### MEETING PROCEDURES

Meeting procedures were outlined;

- Growers have speaking rights;
- Guests speak with permission of the Chair; (note: guest speakers are non-members of VNZI);
- Three minutes and two minutes for movers and seconders, and two minutes for others;
- Voting on Remits will be by show of hands.



### DRAFT MINUTES OF THE 2020 AGM

The draft minutes of the 2020 AGM had been circulated on pages 22 to 25 of the meeting papers.

#### Remit 1

The draft minutes of the combined Vegetables New Zealand Incorporated AGM, held on Friday 25 September 2020 be taken as a true and correct record of that meeting.

**VNZI Board / Howe Young**

*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."*

#### 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.

**VNZI Board / Amrut Bhana**

### MATTERS ARISING

There were no matters arising.

### CHAIRMAN'S 2021 ANNUAL REPORT

- A formal Chair's report was included on pages 5 to 8 of the meeting papers and was taken as read.
- The Chair tabled the following:

*"This is my final Annual Report as I am retiring from the VNZI Board. I want to thank 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 help keep us grounded as to who we represent.*

*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 solution through Grower Associations, Crop Advisory Groups, Young Grower, and the VNZI Board.*

### VEGETABLES NZ (PRODUCT GROUP) FINANCIAL STATEMENTS - 2020-2021

- The funds of the VNZI product group account have been transferred into the VNZI account;
- This process was transacted over a 12-month period, involving monthly offset payments (refer to page 29 of the meeting papers);
- This concludes the financial transition between VNZ product group and Vegetables NZ Inc.

#### Remit 3

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

**VNZI Board / Rob Lindsay**



## VEGETABLES NZ INC. FINANCIAL STATEMENTS - 2020-2021

- The VNZI 2020-2021 Financial Statements are presented on pages 30 to 38 of the meeting papers.

Income:	\$1,279,583
Biosecurity Income:	\$119,751
Interest:	\$19,149 (\$1,178,981)
Expenses:	\$1,173,365
Surplus:	\$645,533 (less biosecurity income and contract income)

- Other significant one-off payments in the accounts were \$137,000 for the Fruit Fly response of 2019;
- The VNZI Board deemed this invoice could be paid from cashflow / reserves.

### Remit 4

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

**VNZI Board / Kirit Makan**

## VNZI COMMODITY LEVY RATE FOR 2021-22

- Remit 5 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 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 / Rob Lindsay**

## VNZI BIOSECURITY LEVY – 2021-2022

- The VNZI Board would like to remind the members that the Biosecurity Levy Order is for the sole purpose of biosecurity activities;
- This fund is capped and if reached the members will be asked to vote at the AGM to reduce the Biosecurity Levy rate to \$0.

### Remit 6

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

**VNZI Board / Rob Lindsay**

## VNZI BUDGET – 2021-2022

- The 2020-2021 VNZI Budget is presented on page 34 of the meeting papers.
- The proposed budget has been endorsed by the VNZI Board;
- It reflects the direction the Board is travelling with its strategy plan;
- The core of the plan is to focus on the issues growers are facing in the areas of social license, environment (water), biosecurity and research on better grower tools for crop production and protection;
- The Board fully supports the work growers are doing with Farm Environment Plans – which VNZI will continue to fund and support;
- The 'A Lighter Touch' (ALT) and Sustainable Vegetable Systems (SVS) research projects are well imbedded, with results likely to show over the next 12 to 24 months.

### Remit 7

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

**VNZI Board / Dean Langrell-Read**

## APPOINTMENT OF AUDITORS

### Remit 8

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

**VNZI Board / Rob Lindsay**

### Remit 9

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

**VNZI Board / Kirit Makan**

## COVERED CROPS REMIT

- At both the TomatoesNZ and Vegetables NZ Inc 2020 AGMs, 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: 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 TomatoesNZ Board has 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.

## 2021 VNZI DIRECTOR ELECTION

- This year VNZI were pleased to advise two nominations were received, plus one director retired by rotation and was available for re-election – a total of three candidates standing for two director vacancies on the VNZI Board;
- An independent electronic and postal vote opened on 14<sup>th</sup> July 2021 and closed at 5:00pm on 28<sup>th</sup> July 2021, on a first-past-the-post basis;
- We would like to thank all candidates for putting themselves forward for election;
- The Independent Reporting Officer, Bobby Hall, advised that Warwick Simpson and John Murphy were the two successful candidates;
- The General Manager declared Warwick and John elected as directors of Vegetables NZ Inc;
- Congratulations conveyed to Warwick and John;

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

## VEGETABLE INDUSTRY SERVICE AWARD

A Vegetable Industry Service Award was presented to Pip Duncan for her outstanding contribution to Vegetables.co.nz.

## GENERAL BUSINESS

- The crate availability issue was raised; companies providing supply are unable to maintain an adequate supply; VNZI acknowledged and fully understands the difficulty growers are encountering and were working closely with commercial companies and industry to find a resolution for all.
- The Vice Chair thanked Andre de Bruin and his family for their tireless contribution to the vegetable industry and the VNZI Board.

As there was no further general business the meeting was declared closed at 5:00pm.



# AGM REMITS & RESOLUTIONS

## 2022 ANNUAL GENERAL MEETING

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The following Remits and Resolutions will be considered at the Vegetables NZ Incorporated AGM being held on 27<sup>th</sup> July 2022, at 2:45pm in Pukekohe.

### REMIT 1

That the draft minutes of the Vegetables NZ Inc. combined AGM held on 5<sup>th</sup> August 2021 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 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).*

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### REMIT 2

That the Chair's report for the year ended 31 March 2022, 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 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).*

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### REMIT 3

That the audited Vegetables New Zealand Incorporated Financial Statements for the year ended 31 March 2022 be adopted.

***Proposed by the Vegetables NZ Inc. Board***

#### **Explanatory Note**

*The audited Vegetables New Zealand Incorporated Financial Statements are included with the 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).*

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### REMIT 4

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 5**

That the biosecurity levy rate for fresh vegetable domestic and export sales for the coming biosecurity levy year be reduced from 0.05% to 0.0%.

***Proposed by the Vegetables NZ Inc. Board***

**Explanatory Note**

*The VNZI Board have voted that the biosecurity levy for the next 12 months to be set at 0%. The retained funds in the biosecurity pool is \$349K, this is in line with Board policy.*

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**REMIT 6**

That the Vegetables NZ Inc. Budget for the year ended 31 March 2023 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 2023, prepared for and approved by the VNZI Board, is included in the 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).*

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**REMIT 7**

That BDO Wellington be appointed auditors for the financial year ended 31 March 2023.

***Proposed by the Vegetables NZ Inc. Board***

**Explanatory Note**

*BDO Wellington was awarded the contract to complete the audit for Horticulture New Zealand and its contracted organisations (including Vegetables New Zealand Inc.) for the 2022–2023 year, Vegetables New Zealand Inc. and Horticulture New Zealand intend to continue that arrangement.*

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#### **RESOLUTION A**

That clause 6.1(a) of the VNZ Inc. Constitution & Rules be deleted and replaced with the amended clause 6.1(a) as set out in the 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).

***Proposed by the Vegetables NZ Inc. Board***

#### **Explanatory Note**

*The Board currently comprises between six and eight individuals, elected by Members, and the VNZ Inc Chair, elected from within the Board. The Board would like to increase the number of Directors to cover two independent Board-appointed Directors. The proposed changes will take effect from the date of registration of the changes in Rules following the 2022 AGM.*

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#### **RESOLUTION B**

That clause 6.2(a) and (b) of the VNZ Inc. Constitution & Rules be deleted and replaced with the amended clause 6.2(a) and (b) as set out in the 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).

***Proposed by the Vegetables NZ Inc. Board***

#### **Explanatory Note**

*Currently at each AGM Directors must rotate and retire once they have held office for a term of three years. Directors who would like to stand for another term may do so. Due to recent issues with maintaining Director numbers, the Board would like to place a limit on the number of Directors required to rotate in a particular year, capping this at three, even if that means a Director holds office for more than three years. The proposed change will take effect from the 2023 AGM.*

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#### **RESOLUTION C**

That clauses 6.4 - 6.5 of the VNZ Inc. Constitution & Rules be amended as set out in the 2022 Vegetables NZ Inc. AGM papers, posted to all members and available at [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz).

***Proposed by the Vegetables NZ Inc. Board***

#### **Explanatory Note**

*Clause 6.4 sets out who is eligible to be elected as a Director. Clause 6.5 states that a Chair must be a Grower Member. The Board wishes to provide for the election of up to two independent Directors (who would not be Members) and to remove the requirement for the Chair to be a Grower Member as from the 2023 AGM. The new wording permits these changes.*

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#### **RESOLUTION D**

That the General Manager is requested to make any changes to the VNZ Inc. Constitution & Rules approved by the AGM and to notify them to the Registrar of Incorporated Societies.

***Proposed by the Vegetables NZ Inc. Board***

#### **Explanatory Note**

*As set out in Clause 21.4 - Duplicate copies of every alteration, addition, rescission or amendment to these rules shall forthwith be delivered to the Registrar in accordance with the requirements of the Act.*



# CONSTITUTION & RULES

## 2022 PROPOSED CLAUSE CHANGES

**RESOLUTION (A):** That clause 6.1(a) of the VNZ Inc. Constitution & Rules be deleted and replaced with the amended clause 6.1(a) as set out below.

**Explanation:** The Board currently comprises between 6 and 8 individuals, elected by Members, and the VNZ Inc Chair, elected from within the Board. The Board would like to increase the number of Directors to cover 2 independent Board-appointed Directors. The proposed changes will take effect from the date of registration of the changes in Rules following the 2022 AGM.

Current clause	Proposed clause
<p><b>6.1</b> The Board of VNZ Inc shall comprise:</p> <p>(a) <b>Directors:</b> Between 6 and 8 individuals holding office from time to time as the Directors. Directors are elected by Members as set out in clause 6.2. The persons holding office at the date of adoption of these rules as the Chairs of the respective CAGs shall be the initial Directors; and</p>	<p><b>6.1</b> The Board of VNZ Inc shall comprise:</p> <p>(a) <b>Directors:</b> Between 8 and 10 individuals holding office from time to time as the Directors. Between 8 and 10 Directors are elected by Members as set out in clause 6.2. The Board may appoint one and no more than 2 persons as independent Directors from time to time; and</p>

**RESOLUTION (B):** That clause 6.2(a) and (b) of the VNZ Inc. Constitution & Rules be deleted and replaced with the amended clause 6.2(a) and (b) as set out below.

**Explanation:** Currently at each AGM Directors must rotate and retire once they have held office for a term of 3 years. Directors who would like to stand for another term may do so. Due to recent issues with maintaining Director numbers, the Board would like to place a limit on the number of directors required to rotate in a particular year, capping this at 3, even if that means a Director holds office for more than 3 years. The proposed change will take effect from the 2023 AGM.

Current clause	Proposed clause
<p><b>6.2</b> The Directors of VNZ Inc shall be elected as follows:</p> <p>(a) Each Director shall hold office for a term of 3 years, or any earlier date of retirement or death.</p> <p>(b) Retiring Directors are eligible for re-election, and there is no maximum number of terms that an individual can be reappointed as a Director.</p>	<p><b>6.2</b> The Directors of VNZ Inc shall be elected as follows:</p> <p>(a) Each Director shall hold office for a term of 3 years, or any earlier date of retirement or death subject to the rotation rules set out below.</p> <p>(b) Retiring Directors are eligible for re-election, and there is no maximum number of terms that an individual can be reappointed as a Director. However, no more than 3 Directors shall be required to retire by rotation in any particular year, and if more than 3 such Directors wish to stand for re-election then the Board shall determine by majority vote which 3 of the Directors shall be required to retire by rotation. Any Director who the Board determines by vote not to be required to retire by rotation may continue in office for up to a further 1-year period and then retire at the conclusion of the next AGM (and be eligible for re-election).</p>

**RESOLUTION (C):** That clauses 6.4 - 6.5 of the VNZ Inc. Constitution & Rules be amended as set out below.

**Explanation:** Clause 6.4 sets out who is eligible to be elected as a Director. Clause 6.5 states that a Chair must be a Grower Member. The Board wishes to provide for the election of up to 2 independent Directors (who would not be Members) and to remove the requirement for the Chair to be a Grower Member as from the 2023 AGM. The new wording permits these changes.

Current clause	Proposed clause
<p><b>6.4</b> The following persons shall be eligible for election as Directors:</p> <ul style="list-style-type: none"> <li>(a) Any Member who is a natural person; or</li> <li>(b) Any director or shareholder of a Member that is a company; or</li> <li>(c) Any partner, employee or nominated representative of a Member that is a partnership or joint venture (whether incorporated or not); or</li> <li>(d) Any member of a committee of management of a Member that is a Māori incorporation; or</li> <li>(e) Any trustee of a Member that is a trust (including a Māori Trust Board); or</li> <li>(f) any employee of a Member;</li> </ul> <p>being the person nominated as the principal representative of that Member in respect of dealings with VNZ Inc.</p>	<p><b>6.4</b> The following persons shall be eligible for election as Directors pursuant to clause 6.2:</p> <ul style="list-style-type: none"> <li>(a) Any Member who is a natural person; or</li> <li>(b) Any director or shareholder of a Member that is a company; or</li> <li>(c) Any partner, employee or nominated representative of a Member that is a partnership or joint venture (whether incorporated or not); or</li> <li>(d) Any member of a committee of management of a Member that is a Māori incorporation; or</li> <li>(e) Any trustee of a Member that is a trust (including a Māori Trust Board); or</li> <li>(f) any employee of a Member;</li> </ul> <p>being the person nominated as the principal representative of that Member in respect of dealings with VNZ Inc. For the avoidance of doubt, these eligibility requirements shall not apply to the independent Directors appointed by the Board pursuant to clause 6.1(a).</p>
<p><b>6.5</b> In addition to the requirements in clause 6.4, a candidate for election as the VNZ Inc Chair must be a Grower Member, or related to a Grower Member in the same way as set out in clause 6.4.</p>	<p><b>6.5</b> A candidate for election as the VNZ Inc Chair must be a Director of VNZ Inc.</p>

**RESOLUTION (D):** That the General Manager is requested to make any changes to the VNZ Inc. Constitution & Rules approved by the AGM and to notify them to the Registrar of Incorporated Societies.

**Explanation:** As set out in Clause 21.4 - Duplicate copies of every alteration, addition, rescission or amendment to these rules shall forthwith be delivered to the Registrar in accordance with the requirements of the Act.

# 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 2022, 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 2022 are prepared, in all material respects, in accordance with the accounting policies specified on page 30 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 30 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 30 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  
28 June 2022

## Entity information

Vegetables New Zealand Incorporated  
For the year ended 31 March 2022

#### 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  
Kiwi Wealth House  
20 Ballance Street  
Wellington 6011

#### Postal Address

PO Box 10232  
Wellington 6140

#### Phone/Fax

Ph +64 4 472 3795

#### Email/Website

[www.vegetablesnz.co.nz](http://www.vegetablesnz.co.nz)



# Statement of Financial Performance

For the year ended 31 March 2022

	Note	2022	2021
<b>REVENUE</b>		\$	\$
Contract Income	1	-	400,414
Levy Income	2	1,318,037	1,279,583
Biosecurity Levy Income	2	192,844	119,751
Interest	3	1,968	19,149
Other income		480	-
<b>Total Revenue</b>		<b>1,513,329</b>	<b>1,818,897</b>
<b>EXPENSES</b>			
Research & Development		315,237	285,298
Biosecurity		4,341	166,214
Meetings & Travel		160,623	113,007
Office and Communications		384,308	282,175
Audit Fees		6,722	5,786
Promotion		329,431	320,884
<b>Total Expenses</b>		<b>1,200,661</b>	<b>1,173,365</b>
<b>Surplus for the Year</b>		<b>312,668</b>	<b>645,533</b>

# Statement of Financial Position

As at 31 March 2022

	Note	2022	2021
<b>ASSETS</b>		\$	\$
<b>Current Assets</b>			
Bank accounts and cash	4	2,184,733	1,713,546
Debtors and prepayments	6	200,307	258,452
GST Receivable		-	6,578
<b>Total Current Assets</b>		<b>2,385,041</b>	<b>1,978,576</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses		244,253	176,294
GST Payable		25,838	-
<b>Total Current Liabilities</b>		<b>270,091</b>	<b>176,294</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>2,114,950</b>	<b>1,802,283</b>
<b>Accumulated Funds</b>			
Accumulated Funds		1,972,910	1,848,746
Biosecurity Reserve	8	142,040	(46,463)
<b>Total Accumulated Funds</b>		<b>2,114,950</b>	<b>1,802,283</b>


**JOHN MURPHY**

VNZ Inc. Chair & Director  
28 June 2022


**ALLEN LIM**

VNZ Inc. Vice Chair & Director  
28 June 2022



# Statement of Cash Flows

For the year ended 31 March 2022

	Actual 2022	Actual 2021
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was received from:</b>		
Levy Income	1,569,026	1,341,506
Other Income	480	-
Interest	1,968	19,149
<b>Cash was applied to:</b>		
Payments to suppliers	1,100,287	1,199,571
<b>Net Cash Flows from Operating Activities</b>	<b>471,187</b>	<b>161,084</b>
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>471,187</b>	<b>161,084</b>
<b>Opening Cash</b>	<b>1,713,546</b>	<b>1,552,462</b>
<b>Closing Cash</b>	<b>2,184,733</b>	<b>1,713,546</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	<b>2,184,733</b>	<b>1,713,546</b>

# Statement of Accounting Policies

For the year ended 31 March 2022

## 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 2022

<b>Note 1: Horticulture New Zealand Contract Revenue</b>	\$ This Year	\$ Last Year
Income in Advance Opening Balance	-	400,414
Contract Funding provided throughout the year	-	-
Unspent contract income	-	-
	-	400,414

As disclosed in the accounting policies Vegetables New Zealand Incorporated had 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 had agreed to ensure any funding it received from Horticulture New Zealand Inc was 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.

<b>Note 2: Levy Income</b>	\$ This Year	\$ Last Year
Levy Income collected throughout the year	1,318,037	1,279,583
Biosecurity Levy Income collected throughout the year	192,844	119,751
	1,510,881	1,399,335

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.

<b>Note 3: Interest</b>	\$ This Year	\$ Last Year
BNZ	1,968	956
Horticulture New Zealand	-	18,193
	1,968	19,149

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 2021.

<b>Note 4: Bank Accounts and Cash</b>	\$ This Year	\$ Last Year
BNZ Current Account	2,165,850	1,694,670
BNZ Autocall	18,883	18,876
	2,184,733	1,713,546

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.



**Note 5: Taxation**

	\$ This Year	\$ Last Year
Taxable Income	-	-
Tax is payable at 28%	-	-
	-	-

**Note 6: Debtors and Prepayments**

	\$ This Year	\$ Last Year
Trade Debtors	200,307	258,452
	200,307	258,452

**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
Accounts Receivable Outstanding at Year End	-	359
Funding Provided to Vegetable Research & Innovation Board	153,117	169,472
Funding Provided to Vegetables.co.nz	300,000	300,000
Conference and Administrative Services Provided	406,779	310,780
Accounts Payable Outstanding at Year End	158,919	78,208

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

John Murphy is the Chair of Vegetables.co.nz which operate under Horticulture New Zealand Inc. Nick Pollock is on the board of Vegetables Research and Innovation which operate under Horticulture New Zealand Inc.

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

<b>Note 8: Biosecurity Reserve</b>	<b>\$ This Year</b>	<b>\$ Last Year</b>
Biosecurity Reserve Opening Balance	(46,463)	
Biosecurity levy income collected throughout the year	192,844	119,751
Biosecurity expenses paid throughout the year	(4,341)	(166,214)
	142,040	(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.

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**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 \$457,985 over the next 5 years.

Vegetables New Zealand Inc is committed to \$254,184 to the SVS project over four years during the year ended 31 March 2022. The agreed amount is \$63,546 per year.

There are no other 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).

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**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).

# Budget 2022–2023

DESCRIPTION	BUDGET 2022–2023
<b>INCOME</b>	<b>INCOME \$</b>
Levy Income (Domestic & Export)	1,250,000
Levy GIA / Biosecurity	215,000
Interest	19,000
	<b>\$1,269,000</b>
<b>INDUSTRY RESEARCH &amp; DEVELOPMENT</b>	<b>EXPENSES \$</b>
VR&I Board Management & Administration	55,052
VR&I Research Projects	98,066
A Lighter Touch	115,597
VNZI Research Projects & Proposals	89,500
GIA / MPI Biosecurity	64,600
GIA Biosecurity Response	19,016
All Consultancy (including, MAS, EPA & Careers/Labour)	94,500
	<b>\$536,331</b>
<b>MEETINGS &amp; TRAVEL PG EXPENDITURE</b>	
Conference VNZI / AGM (new format)	45,000
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	12,500
All Other Meetings - Daily Fees	12,500
Overseas Travel	0
Grower Visits	12,000
	<b>\$177,000</b>
<b>OFFICE &amp; COMMUNICATIONS</b>	
Office Overheads & Levy Collection	90,500
NZGrower Magazine Contribution	28,000
Printing & Stationary	1,260
General Expenses	2,600
Postages including mail outs	4,300
Photocopying	5,000
VNZI Staff salaries (incl HortNZ staff allocation)	285,206
District Association Grants	0
Telephone & Tolls	3,000
Legal / accounting / audit advice	6,500
VNZI Website	3,500
	<b>\$429,866</b>
<b>PROMOTIONS</b>	
Vegetables.co.nz contribution	300,000
Promotions/Sponsorships/Other	22,000
People capability and training	150,000
	<b>\$472,000</b>
<b>TOTAL EXPENSES</b>	<b>\$1,615,197</b>
<b>SURPLUS / DEFICIT</b>	<b>-\$346,197</b>



# Vegetables New Zealand Inc

Horticulture New Zealand  
Level 4, Kiwi Wealth House  
20 Ballance Street  
Wellington

**E:** [Antony.heywood@hortnz.co.nz](mailto:Antony.heywood@hortnz.co.nz)  
**W:** [www.freshvegetables.co.nz](http://www.freshvegetables.co.nz)