

A close-up photograph of several ripe, red tomatoes hanging from a green vine. The tomatoes are glossy and have a small green stem at the top. The background is slightly blurred, showing more green leaves.

Tomatoes New Zealand

TomatoesNZ 

2015

AGM and Conference Papers

27th – 29th July 2015,

Energy Events Centre, Queens Drive, Rotorua



Tomatoes New Zealand AGM & Horticulture NZ Conference 2015
Energy Events Centre, Queens Drive, Government Gardens
ROTORUA

A G E N D A

Monday 27 July 2015

- 5:00pm** **Registration Opens**
- 6:00pm** **Welcome Reception, hosted by United Fresh**

Tuesday 28 July

- 8:00am** **Registration continues**
- 9:00am** **Keynote Speaker – Mr Julian Cribb – ‘The Global Feeding Frenzy’**

- | | |
|----------------|--------------------------------------------|
| 10:00am | Morning Tea – Trade Exhibition area |
|----------------|--------------------------------------------|

10:30am TNZ ANNUAL GENERAL MEETING (AGM)

- 10:30am** **Welcome & Introductions**
- Apologies, Proxies and Procedural Motions
 - Confirmation of 2014 Conference Minutes & Matters Arising (*Page 4*)

- 10:35am** **Chairman’s Address – Alasdair MacLeod (*Page 10*)**

- 10:45am** **Financial Statements 2014/15 (*Page 14*)**

Budget 2015/16 (*Page 19*)

Confirm TNZ directors

- Independent Chair: Alasdair MacLeod
- Newly elected directors: Anthony Tringham, Edward Lee and Simon Watson

Confirm Meeting fees

- 11:00am** **Remits (*Page 21*)**

- 11:15am** **General Business**

- 11:30am** **Presentation by Ines van Marrewijk, Groen Agro Control**
“Managing Residues and MRL’s - risk analysis”

- 12:00pm** **TomatoesNZ AGM concludes**

- | | |
|----------------|--------------------------------------------------------|
| 12:00pm | Conference Lunch – in the trade exhibition area |
|----------------|--------------------------------------------------------|



- 1:00pm Horticulture NZ Programme / Concurrent Sessions**
- Managing the Safety of your Workplace – Al McCone / Mike Arnold
 - Food Safety, Food Security and Your Business Planning – Matt Dolan / Anne-Marie Arts / Dr Hans Maurer
 - Covered Crop Hygiene – Ines van Marrewijk

2:30pm	Afternoon Tea Break
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- 3:00pm Concurrent Sessions**
- AgChem Resistance – Trevor James
 - Tales from the Natural Resources & Environment Team – Chris Keenan / Blake Holgate
 - Making Working Together Work – Robin Nitschke / Ramsey Margolis

4:30pm Horticulture New Zealand Annual General Meeting

6:00pm Pre-dinner Drinks – Trade Exhibition area

7:00pm Horticulture New Zealand Awards Dinner

Wednesday 29 July

7:30am - 8:30am GLOBALG.A.P. Networking Breakfast

8:30am GLOBALG.A.P. Registration and Coffee

9:30am Welcome

9:45am GLOBALG.A.P. Session
Speaker: Dr Kristian Moeller, Chief Executive Officer, GLOBALG.A.P.

10:30am Collaboration in Governance
Speaker: Alastair Bisley, Chair of Land & Water Forum

11:00am	Break
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11:30am Behind Australia's Produce Harmonisation Programme
Speaker: Belinda Millard and Brice Lamarque of Woolworths Australia and Tristan Kitchener, Consultant

12:00pm What's the Story?
Speaker: Amanda Woodridge, Ideas Shop

12:30pm	Lunch
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1:15pm Making an IMPACT
Speaker: Alistair Mowat, Advisor Ministry of Primary Industries (MPI)
Speaker: Jon Manhire, NZ Sustainability Dashboard
Speaker: Alan Timms, IPL/Asda and Walmart

2:45pm Panel discussion and Question & Answer – Beyond Certification

3:30pm CLOSE



Draft Minutes of the TomatoesNZ AGM 2014, Held in the Viaducts Event Centre, Auckland 24th June 2014

Chairman Alasdair MacLeod presided over the TNZ board plus about 13 growers and 15 guests.

Welcome

The Chair welcomed everyone to the conference and AGM and thanked the major sponsor, AGMARDT. Mentioning they had assisted in securing our international speaker Rob Jacobson.

General business

It was requested that the importation of irradiated Australian tomatoes being discussed during general business.

Apologies:

Apologies were received from Brian Nicklin, Roelf Schreuder and Paul Pavletich.

Frank van Rijen/Ben Smith

Obituaries

None

Proxies

A total of 4 proxies were received, 2 held by the Chair and 2 held by Malcolm Pook. The Business Manager explained that as all proxies were directed they would be kept by the Business Manager rather than handed out as the vote was to be completed in a ballot type format due to the value information that was to be collected during the vote.

Procedural motions

1. That all growers have speaking rights
2. That speaking rights be granted to guests with the prior consent of the chair
3. That three minutes and two minutes be allowed for movers and seconders respectively and two minutes for other speakers.

It was resolved that the procedural motions be adopted.

Alasdair MacLeod/Lex Dillon

Previous Minutes

The minutes of the previous AGM were provided prior to the AGM and were also included on Page 3 – 10 of the conference papers.

Two corrections were noted

1. On page 3 it was written that “A total of seven proxies were received, seven held by the chair and one held by Tony Ivcevich”. This was corrected to “six held by the chair and one held by Tony Ivcevich”.
2. A spelling error was noted on page 5. Disbursed had been spelt incorrectly – should be dispersed.

It was resolved that the minutes of the AGM and Conference of TomatoesNZ, held in The Wellington Town Hall on 31st July 2013 be taken as read and as a true and correct record once the corrections had been made.

Lex Dillon/Ben Smith

Matters arising

1. The chair to take the comments on DA grants back to Product Group Chair's Forum.
Alasdair MacLeod had taken feedback relating the DA grants back to the Product Group Chairs Forum carried out.
2. Review the AGM Quorum
The quorum was reviewed by the TomatoesNZ board and it was decided to leave it at the current number of 12.

Chairman's Address

This year has been eventful and somewhat reactive year. There have been a number of things crop up that drain resources. Two things in particular that come to mind are dealing with imported Australian tomatoes and trying to gain approval for importing *Macrolophus pygmaeus*. Last year approval was given for tomatoes to be imported into New Zealand from Australia provided they are irradiated. Once this approval was given a significant campaign was launched in an attempt to get the message to the public regarding the requirement of irradiated tomatoes to be labelled as such. Also, work was going on behind the scenes with MPI, providing information to MPI re unlabelled irradiated tomatoes. This did result in some businesses refusing to stock Australian tomatoes. This campaign will start again soon - next week. At present there is plenty of New Zealand product around and it is still well priced. We are hoping to get a press release signed off by the board today. We all have a show of willingness from MPI with regard to the monitoring of labelling requirements.

Our application to bring in *Macrolophus pygmaeus* was declined by EPA. We were encouraged by EPA to go through with this application as they indicated it was a simple process. In reality it was a lengthy and expensive process. Information that came to light during the process was very frustrating regarding the previous illegal introduction of *Macrolophus pygmaeus* (*sp*). Paper records were found of previous releases showing that 95.3 million were released over a 2 year period from Rodney to Nelson. This did not result in 'plague like' numbers of *Macrolophus* devouring everything in their path. In fact not one can be found! One positive that can be taken out of this application process is that we have helped to prove how difficult it is to introduce an organism and what the process is. We are not happy with this as an outcome although it is a learning.

Time was also spent on trying to sort out VR & I board. We weren't comfortable as to how the funding was spent, that is it was spent because it was there rather than beneficial across the product groups. Thanks to Frank for involvement as the TomatoesNZ representative on the VR & I board and the fantastic job he has done.

Also, thanks to the board for support and input and not being afraid to deal with issues as needed. There were no comments.

Annual report

An annual report was provided on Page 11 of the conference papers.

It was resolved to adopt the Annual report.

Annual Accounts

The audited accounts had been distributed prior to the AGM and were also provided at the AGM on pages 13 -17 of the conference papers.

A question was asked around the change of income due to the change in levy. This was clarified to be because the levy had been changed part way through the year.

An explanation was provided as to how reserves are being slowly reduced to around \$400,000 but would still be available and *may be required at some time in the future given things such as GIA*.

It was resolved to adopt the TomatoesNZ annual accounts for the year ended 31 March 2013.

Richard Cameron/Frank van Rijen

Remits

One remit was proposed by the Executive of Tomatoes NZ.

Remit: Tomatoes NZ pursue signing the Biosecurity GIA deed on behalf of NZ fresh tomato growers including the formation of an incorporated society.

Nikki Johnston from Market Access Solutions was invited to provide some additional information to explain the remit.

The key to understanding GIA is not too get detailed but to understand the principle. Currently you are trading off decisions made but have no input into how the decisions are made. You are better in than out when it comes to being involved in the decision making. By signing the agreement it allows tomato growers to be part of the decision making table. If you are not involved MPI can make a decisions and still charge growers. Today we are talking about signing the GIA deed – essentially “we agree to talk to MPI in the event of an incursion”. Official Assurance Programmes (OAP’s) come later and will be specific to product and pest. When OAP’s start to be negotiated you will be consulted. Making a commitment to sign the GIA deed doesn’t really cost anything but it does allow you to be at the table when the OAP’s are negotiated. Exactly how the OAP’s and cost sharing will work is yet to be determined.

It was queried why TomatoesNZ had to form an incorporated society to be able to sign the deed and why HortNZ could not sign the GIA agreement on behalf of all product groups? The response was this could not be done due the way GIA had been written and the way HortNZ was structured.

Frank van Rijen asked a question regarding the phase in time for GIA. Phase in time begins once OAP’s are developed. There is a “readiness programme” in order to encourage product groups to be involved. During the initial discussions MPI are bearing some of the initial costs. Cost sharing is specific to an OAP once these are developed.

It was explained that in order to present industry representation to MPI it was best that sales value data be collected during the voting process. This then enabled a “percentage of industry represented by value” to be presented to MPI in addition to total numbers of members that voted.

Frank van Rijen/Tony Ivceovich

Voting papers were handed out and once complete were collected back. Members were told the votes would be collated during the speaker’s session and results given then.

Meeting Fees

It was presented that the \$200, ½ daily fees for committee members remains the same for the 2014/15 year.

Budget 2014/15

A draft budget had been pre-circulated on page 18 in the meeting papers. An updated 14/15 budget was handed out due to an error in the original budget. The error was pointed out as a figure of \$10,560 (Vapormate) not being included in the calculations although it had been included in the figures. Key points of the budget were presented by the Business Manager covering total income, research and development and promotion.

Frank van Rijen questioned the \$10k budget allocated for irradiated tomatoes. He mentioned that last year's had been \$30k. Alasdair responded that due to the need for initial development and set up last year e.g.: database of contacts etc., with Ideas Shop that the expectation is that the \$10k will be better value than last year's \$30k.

It was resolved to adopt the 2014/15 budget

Anthony Tringham/Frank van Rijen

Committee elections

Alasdair was delighted to stand as the chair and welcomed Hayden Armstrong and Stefan Vogrincic. It was noted that it was great to have a full complement on the board and that the board members represented a nice balance in terms of range of size of members.

General Business

Imported Australian tomatoes

Simon Watson commented that it was the middle of winter and an expensive time to produce tomatoes. He was horrified to see irradiated tomatoes arriving into New Zealand. He had contacted importers and been met with a variety of excuses

- not my fault,
- just doing my job,
- it's the other company,
- what's a couple of thousand Aussie tomatoes?,
- it's just for food service.

Last week the price was low \$5, now struggling to hold \$3. Why do they want to wreck our industry?

Frank van Rijen commented that these responses were a cop out and lack of ownership.

Brett Wharfe – Questioned is there a legal precedent e.g.: alcohol industry must look after patrons? He had 2 suggestions firstly, the person selling product must have some responsibility to people buying the product i.e.: wholesalers selling to retailers meaning wholesalers make retailers responsible for labelling. Also, make importers responsible for labelling. Why don't we "name and shame"?

Reupena Kovati – commented that it was not law to label tomatoes as irradiated. In response Alasdair clarified that it is law to label tomatoes as irradiated. They do not have to be labelled as Australian but they do need to be labelled as irradiated.

Alasdair also suggested to Reupena that he let him know if he saw unlabelled irradiated tomatoes. Reupena told Alasdair there were unlabelled tomatoes in the Otara markets.

Alasdair also added that MPI had been disappointed that they heard from Alasdair that imported tomatoes were arriving. MPI had thought they had an understanding that they would be told by importers when Australian irradiated tomatoes would be brought in – this demonstrated an early breakdown in communication. There had been an early indication from FSANZ that the requirement to label as produce as irradiated may be removed. This move would not be supported by TomatoesNZ. While TomatoesNZ does not want to be viewed as anti-competitive they want people to be able to make an informed choice about the product they purchase.

Brett Wharfe – is irradiation safe??

Simon Watson – mentioned how thalidomide had been considered safe.

Alasdair – Our focus is on ‘allowing individuals to make an informed choice’ as it keeps MPI and FSANZ onside.

Brian Garguilo– did they prosecute anyone for not labelling? No – but they did revisit, and after first visit they were labelled.

Lex Dillon – commented that he made many complaints. He received a form letter back after the season had finished. He considered retailers were not aware of their labelling obligations – and that wholesalers had not told them. Some had tomatoes labelled as Australian but not irradiated.

Brian Garguilo – There is no consequence of breaking the law. Do we understand the legislation well enough and are we clear about who is actually responsible for labelling?

Tony Ivceovich – can we print signs to give to wholesalers to give out to retailers.

It was noted that the Australian consul had commented that NZ had put New Zealanders off Australian tomatoes so there had been some effect.

Leigh Catley – commented when in restaurants she asks where the tomatoes have come from and whether or not they are irradiated. Menu should state if tomatoes are irradiated – there is a legal obligation.

At the end of the discussion Alasdair reiterated the need to ensure we follow our party line of ‘letting people make informed choices’.

Morning Tea

At 10.30 am the Group broke for morning tea and re-adjourned at 11am.

Guest Speakers Presentation

Ben Smith introduced guest speaker, Rob Jacobson, IPM specialist from the UK who spoke for an hour on *"IPM in tomato: A UK approach"*.

There were some questions at the end of the presentation.

Ben Smith asked what new organisms we should be aware of. *Tuta absoluta*. Suggested using traps.

Stefan Vogrincic – Commented that nothing can control psyllid. Spraying works for a time but between sprays growers are left hoping that the population does not build up. Rob has no experience working with psyllid so had no solution.

Lex Dillon – Asked for suggestions on how we can control whitefly.

Alasdair thank Rob for his presentation and assured him that although Rob himself had concerns re doubling up on information for the afternoon session that growers would still be very interested in hearing what he had to say.

Remit Result

The Business Manager presented the result of the remit vote which was 19 voting members present plus 4 proxies giving a total of 23 votes. 21 were for and 2 against.

Just over \$88 million sales value was counted on the day. It was explained that this was a preliminary figure as the value of the proxies had not yet been included as the decision to include the value was made after the proxies had been sent out.

The meeting closed at 12.15pm

Actions:

1. Investigate legal avenues about importers and wholesalers being required to communicate the need for signage.
2. Investigate the option of TomatoesNZ producing and providing signage for retailers to use to label Australian irradiated tomatoes.
3. Investigate capturing who is importing Australian tomatoes so growers can decide who they want to support.



**Tomatoes New Zealand's Year
1 April 2014 31 March 2015**

The last year was a year of slow but steady progress against a background of a patchy domestic economy, a small number of significant steps towards further industry consolidation, and a reduced ability to cost-effectively deal with pest issues (particularly whitefly) because of our lack of truly effective biological control agents in the glasshouse. The year also highlighted the need for a much more aggressive push into exporting if we are to reverse the industry decline and ultimately increase the returns to growers. The strategy was finally completed and is constantly used as a template for testing our investments decisions against.

I also want to acknowledge at the outset my gratitude to the members of the Tomatoes New Zealand Board – they represent the sector in a mature way that should make the sector very grateful for the work that they put in.

I also want to publicly acknowledge the huge debt that we owe to Frank van Rijen, who is stepping down from the Board, and his role as Deputy Chair. Frank has worked hard behind the scenes to ensure that the sector is well represented on the issues that matter. He has provided unwavering support to me in my role as Chair, and has been an invaluable source of insight and knowledge that I will greatly miss.

Below are some highlights of the 2014/15 year.

Financial performance

Total levy income for the 2014/15 financial year was \$310,400, compared to \$293,127 in 2013/14 (when the levy rate was lower for part of the year). This equates to an industry value of \$88.9m in 2014/15, the lowest value since 2009. The average industry value for the past three years was \$95.1m. Despite the lower than expected income, the deficit for the year was \$69,663, against a budgeted deficit of \$74,887. This was due to lower than budgeted expenditure in all areas except Office and Communications which was \$2,500 more than budgeted.

The reserves at the end of 2014/15 stood at \$564,781.

Expenditure on Research and Development at \$135,409 was up 27% compared to 2013/14 with more money spent on export market access, biosecurity and a new sea-freight project compared to the year before. Office overheads were up mainly due to higher salaries costs, and promotion expenses at \$50,492 were lower than in 2013/14, when a considerable investment was made in highlighting the arrival of the first irradiated Australian tomatoes. \$17k was spent on a new TomatoesNZ website in 2014.

Strategy published

The TomatoesNZ Strategy for the Fresh Tomato Industry was completed.



The **purpose** of the strategy is to provide a framework to enable growth in the Fresh Tomato Sector. While it is an across industry strategy it will serve as a guiding document for the TomatoesNZ Board and will provide a focus on where best to allocate effort and resource with a view to achieving the best outcome for Fresh Tomato Growers.

The **Industry vision** is: *To be economically and environmentally sustainable growers of healthy, safe and nutritious fresh tomatoes in a progressive industry that will attract investment.*

The **goal** of the Fresh Tomato Industry is to double in value to \$200 million by October 2020.

The full strategy document is available on the tomatoesnz.co.nz website.

Fresher by Sea – export technologies project

One of the initiatives under the TNZ Market Led Export strategy was to extend shipping life of fresh tomatoes to 3-4 weeks to enable sea-freight of a premium product that attracts a premium price to markets currently only reached by airfreight. Plant and Food Research have been gathering and interpreting biological, technical and logistical research that has already been undertaken on tomatoes to determine what science is already available and its practical application to facilitate this goal. The first stage of the research was presented to the Board in May 2015.

Greenhouse wastewater work

TNZ began a project with Horticulture NZ and Vegetables NZ Inc. to quantify nutrient discharge. This project is proactively collecting data and developing systems that growers can use to address council requirements and minimise their costs and paperwork. The data will also be used to determine the ideal nutrient allocation from an industry perspective in Auckland, where this is currently under review.

The Greenhouse Wastewater Code of Practice will then be updated, and a template developed that growers can use as part of the consent process or to demonstrate compliance.

Developing young leaders - Pukekohe Young Vegetable Grower of the Year

As a way to showcase our industry to those that may have some input into students' career choices, TNZ sponsored the Pukekohe Young Vegetable Grower (PYVG) of the Year competition and used this as an opportunity to invite horticulture teachers from schools around the region to attend the evening awards dinner and also take a tour of NZ Hothouse.

Feedback from the teachers was that both events were very useful and they would like to incorporate more such visits within the horticulture sector incorporated into teacher's professional development in order to expose them to more facets of the industry.

Irradiation labelling awareness campaign

The irradiation labelling awareness campaign was continued, with media releases during the import season and information packs with details on labelling requirements for irradiated tomatoes and laminated signs distributed via wholesalers. All wholesalers contacted were obliging when asked to distribute to their customers. It seems the majority of retailers were happy to take the packs although

feedback was received from some retailers that they would not be labelling their Australian tomatoes as irradiated.

One retailer was visited by the Ministry of Primary Industries (MPI) following a complaint that was made via TNZ, and it was confirmed that they were not labelling Australian irradiated tomatoes and they were also labelling some Australian tomatoes as NZ. In this instance MPI wrote the retailer a warning letter informing them they may be prosecuted if the situation arises again. In addition, MPI notified the Commerce Commission as the incorrect labelling of Australian tomatoes as NZ is a breach under the Fair Trading Act.

A total of 157.7 tonnes of Australian tomatoes were imported during June and July 2014.

Consumer research that we conducted through the year showed – unsurprisingly – that New Zealand consumers want to know what they are eating, and are very clear that they want irradiated product clearly labelled as such. We will continue to fight for the right for consumers to make an informed choice about what they eat.

Agrichemical reviews

TNZ continued to be involved in providing information to the Environmental Protection Authority (EPA) agrichemical reviews. These have included reviewing non-contact periods of certain organophosphate and carbamate plant protection substances, and the reassessment of Dichlorvos. TNZ appeared at the public hearings to provide an overview of the benefits of continued use of Dichlorvos in greenhouse tomatoes to the EPA hearing panel.

Ongoing Export Market Access work

- Input into MPI's updating of the two tomato export compliance programmes for Australia
- Audit of Export pathway by Fijian officials completed
- Negotiations with Thailand on market access completed
- Provided Japan data for their review of Methyl Bromide fumigation
- Continued representation on the Plants Markets Access Council
- Participated in the PMAC Fruit fly contingencies project - negotiating pre-determined treatments to allow exports to continue in the event of a fruit fly incursion.

Ongoing Biosecurity work

- Continued input into working groups developing the implementation of GIA, and
- Continued involvement in discussions on the Fruit Flies Operational Agreement.
- Ongoing representation on MPI's Fresh Product Advisory Committee (FreshPAC), a forum monitoring importations that could put NZ produce at risk.
- NZ plans to sign the Government Industry Agreement on Biosecurity deed once an Incorporated Society is formed in 2015.

VR&I Board

TNZ continues to participate in the Vegetable Research and Innovation (VR&I) Board.

Current VR&I Board projects that TNZ are part of are:

- Seeking approval from the Environmental Protection Authority to import to release Psyllid biocontrol agent Tamaraxia;
- Monitoring Biosecurity Risks;
- Agrichemical strategy – preparing a project plan and funding application;
- Representation at the Global Minor Use Workshop for agrichemicals.

Other work in 2014/15:

- The new TomatoesNZ website was launched to bring the look up to date. Content is being gradually improved.
- The Market Monitoring project to collate data on weekly sales volume has been parked for now, due to commercial sensitivities around this data.
- Incorporation of TomatoesNZ – this was agreed to at 2014 AGM as part of requirement to sign GIA. The process was then delayed due to a potential alternative option for signing the GIA deed, however will progress in 2015.

Alasdair MacLeod

Chairman, TomatoesNZ



Independent Auditor's Report

Audit

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To the Members of Tomatoes NZ Product Group of Horticulture New Zealand Incorporated

We have audited the accompanying special purpose summary financial statements. They comprise a summary statement of financial performance, a summary financial statement of changes in equity and related notes for the Tomatoes NZ Product Group of Horticulture New Zealand Incorporated (HNZI) for the year ended 31 March 2015. They have been derived from audited financial statements of HNZI for the year ended 31 March 2015. We expressed an unmodified opinion on those financial statements in our report dated 18 June 2015. Those financial statements and these special purpose financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

These special purpose summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading these special purpose summary financial statements, therefore, is not a substitute for reading the audited financial statements of HNZI.

The Product Group Committees Responsibilities for the Special Purpose Summary Financial Statements

The Product Group Committees are responsible for the preparation and fair presentation of these special purpose summary financial statements. While the recognition and measurement requirements of generally accepted accounting practice in New Zealand have been observed, these special purpose summary financial statements were not intended, and therefore have not been prepared in accordance with FRS-43: *Summary Financial Statements*. In addition, the Product Group Committees are responsible for putting place the internal controls necessary to enable the preparation of special purpose summary financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the special purpose summary financial statements. Our work was conducted in accordance with two International Standards on Auditing (New Zealand), namely ISA (NZ) 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* and ISA (NZ) 810 *Engagements to Report on Summary Financial Statements*. Both standards require that we

Chartered Accountants
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comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose summary financial statements are free from material misstatement.

We were specifically instructed not to assess, and therefore have not reported on compliance with FRS-43: *Summary Financial Statements* because these are special purpose summary financial statements.

Other than in our capacity as auditor we have no relationship with, or interests in Tomatoes NZ Product Group of Horticulture New Zealand Incorporated.

Opinion

In our opinion, the special purpose summary financial statements derived from the audited financial statements of HNZI for the year ended 31 March 2015 on pages 1 to 3 are consistent, in all material respects, with the financial performance and statement of changes of equity of HNZI for the year then ended.



Grant Thornton New Zealand Audit Partnership
Wellington New Zealand
18 June 2015

HORTICULTURE NEW ZEALAND INC

TOMATOES NZ - SUMMARY FINANCIAL STATEMENTS

Statement of Financial Performance
For the year ending 31 March 2015

	NOTE	31-Mar-15 \$	31-Mar-14 \$
INCOME			
Interest	2	13,651	12,760
Levy Product Group		124,160	117,251
Levy Promotion		62,080	58,625
Levy Research & Development		124,160	117,251
TOTAL INCOME		324,051	305,887
LESS EXPENDITURE			
Research & Development			
Vapormate		10,722	-
Seminars		5,464	-
R & I Board Research		9,484	11,725
R & I Manager		21,482	19,810
Research & Travel		-	604
Research Projects		88,257	74,249
Total Research & Development		135,409	106,388
Meetings & Travel			
Conference Expenses		11,639	11,346
Travel & Fees		32,638	29,253
Total Meetings & Travel		44,277	40,599
Office & Communications			
Capitation		3,535	4,000
Chairman Fees		35,004	35,175
General Expenses		415	411
Grower Magazine Support		12,996	12,996
Legal Expenses		3,026	-
Office Overheads		27,128	27,128
Postages		836	907
Photocopying		1,866	1,612
Printing & Stationery		979	230
Salaries		76,848	57,322
Telephone & Tolls		903	908
Total Office & Communications		163,536	140,689
Promotion			
Vegetables.co.nz		20,000	20,000
Tomatoes NZ		3,000	3,750
Website		16,961	1,173
Public Relations		10,531	48,651
Total Promotion		50,492	73,574
TOTAL EXPENSES	3	393,714	361,250
DEFICIT TO BE TRANSFERRED		(69,663)	(55,363)
Transfer to Research & Development Reserve		(11,249)	10,863
Transfer to Promotion Reserve		11,588	(14,949)
Transfer to General Reserve		(70,002)	(51,277)
		(69,663)	(55,363)

The summary financial statements should be read in conjunction with the notes to the summary financial statements.



HORTICULTURE NEW ZEALAND INC

TOMATOES NZ - SUMMARY FINANCIAL STATEMENTS

Statement of Movement in Equity As at 31 March 2015

	31-Mar-15 \$	31-Mar-14 \$
General Reserve		
Opening Balance	298,201	349,478
Transfer of Net Surplus	(70,002)	(51,277)
Closing Balance	228,199	298,201
Tomato Promotion Reserve		
Opening Balance	211,989	226,938
Transfer of Net Surplus/(Loss)	11,588	(14,949)
Closing Balance	223,577	211,989
Research & Development Reserve		
Opening Balance	124,254	113,391
Transfer of Net Surplus/(Loss)	(11,249)	10,863
Closing Balance	113,005	124,254
Accumulated Funds		
General Reserve	228,199	298,201
Promotion Reserve	223,577	211,989
Research & Development Reserve	113,005	124,254
Closing Balance	564,781	634,444

The summary financial statements should be read in conjunction with the notes to the summary financial statements.



HORTICULTURE NEW ZEALAND INC

TOMATOES NZ - SUMMARY FINANCIAL STATEMENTS

Notes to the Summary Financial Statements
For the year ending 31 March 2015

1 Basis of Preparation

The group summary financial statements have been extracted from the full financial statements for the reporting entity, Horticulture New Zealand Inc, registered under the Incorporated Societies Act 1908. The full financial statements for Horticulture New Zealand Inc. have been prepared in accordance with generally accepted accounting principals, in accordance with New Zealand Financial Reporting Standards. Horticulture New Zealand Inc. satisfies the Accounting Standards Review Board criteria for small to medium size businesses and has not been required to apply NZ IFRS.

The summary financial statements cannot be expected to provide as complete an understanding as provided by full financial statements. The summary financial statements have been examined for consistency with the full financial statements. The full financial statements are available on request and can be obtained from the Horticulture New Zealand Inc office's.

The full financial statements have been subject to audit and an unqualified audit report has been issued.

2 Allocation of Interest

Interest income, less the associated provision for taxation is allocated to each sector within Horticulture New Zealand Inc, based on their average proprietorship over the year to 31 March 2015.

3 Reconciliation of Tomatoes NZ Expenditure to totals in Horticulture New Zealand Financial Statements for year ending 31 March

	2015 \$	2014 \$
Total Expenditure as above	393,714	361,250
Deduct Administration Recoveries paid to Horticulture New Zealand	-	(77,520)
Deduct funding distributed to Vegetables.co.nz	(20,000)	(20,000)
Deduct funds distributed to Grower Magazine	(12,996)	(12,996)
Deduct funds distributed to Vegetable Research & Innovation Board	(30,966)	(31,535)
Expenditure per the Horticulture New Zealand Inc. audited accounts	329,752	219,199

4 Reserves

Tomatoes NZ have set a minimum reserve of \$400,000.



Tomatoes New Zealand Budget for 2015/16

Updated 1 July 2015

Description	2014/15 Budget (1)	2014/15 Actuals (2)	2015/16 Draft Budget (3)
<u>Income</u>			
Levy - Product Group	140,000	124,160	140,000
Levy - Research & Development	140,000	124,160	140,000
Levy - Promotion	70,000	62,080	70,000
Interest	15,000	13,651	15,000
Grant – AGMARDT grant for Auckland Waste Water Discharge			20,000
Total Income	365,000	324,051	385,000
<u>Expenditure</u>			
Research & Development			
Research & Travel			
Vapormate	10,560	10,722	0
Market Access - Other	16,786	13,003	4,700
Market Access - Aust Comp Programme	5,800	6,191	
Government Industry Agreements GIA	12,280	20,328	22,800
GIA Readiness			0
Import Biosecurity & Fresh PAC	4,640	4,640	8,700
Technical Advice (MAS)	6,720	6,720	6,720
AgChem/EPA			20,000
PMAC	5,027	6,058	5,027
BCA Project	30,000	9,534	7,000
TNZ Strategy		309	
Information Sharing		94	
Best Practice			47,000
Market Monitoring		1,380	
Pest Control Programme Review			14,500
Sea Freight	20,000	20,000	40,000
Seminars - Technology Transfer	5,000	5,464	0
R & I Manager	21,074	21,482	20,905
R & I Board - Research	14,000	9,484	9,500
Total Research & Development	151,887	135,408	206,852
Meetings & Travel			
Conference Expenses	22,000	11,639	22,000
Overseas Fees			
Overseas Travel	7,000	4,000	
Travel & Accommodation	25,000	20,600	21,000
Daily Fees	10,000	8,038	10,000
Total Meetings & Travel	64,000	44,277	53,000
Office & Communications			
Postages	1,500	836	1,500
Grower Magazine Support	13,000	12,996	13,000
Print & Stat(Ex Xerox)	1,000	979	1,000
Photocopying	1,000	1,866	1,000
Telephone & Tolls	1,000	903	1,000
General/Training	2,000	415	2,000
Salaries & Wages	60,000	76,848	72,000
Chairman Fees	35,000	35,004	35,000
Legal Expenses	15,000	3,026	5,000
Office Overheads	27,000	27,128	27,000
District Association Grants	4,500	3,535	5,000
Total Office & Communications	161,000	163,536	163,500
Promotion			
Promotion (United Fresh membership)	3,000	3,000	3,000
Vegetables.co.nz	20,000	20,000	20,000
Website	20,000	16,961	400
Public Relations	10,000		
Public Relations - BCA		1,538	
Public Relations - Irradiation	10,000	8,994	12,000
Young Vegetable Grower of the Year Sponsorship			1,600
AsiaFruit Logistica			12,500
Total Promotion	63,000	50,492	49,500
Total Expenses	439,887	393,714	472,852
Surplus Or Deficit	-74,887	-69,663	-87,852

Notes on Draft 2015/16 Budget

- (1) 2014/15 levy budget was based on industry value of \$100m and levy rate of 0.35%.
(2) 2014/15 ACTUAL industry value (from levy): \$88.9m
(3) 2015/16 levy budget based on industry value of \$100m and levy rate of 0.35%

Reserves	1 April 2014 Actual	1 April 2015 Actual	1 April 2016 Budget
General	\$298,201	\$228,199	\$156,699
Promotion	\$211,989	\$223,577	\$249,077
R&D	\$124,254	\$113,005	\$71,153
Total	\$634,444	\$564,781	\$476,929

Potential reserves at end of 2015/16



The following is to give notice of remits proposed for the Annual General Meeting of TomatoesNZ, to be held at the Energy Events Centre, Rotorua on Tuesday 28 July 2015.

No:	Remit	Notes
1.	Formation of Tomatoes New Zealand Incorporated with the Constitution and Rules as presented to the meeting.	
	<p><i>That a new organisation, to be called "Tomatoes New Zealand Incorporated" be formed under the Incorporated Societies Act 1908, to represent the interests of all tomato growers, and that the form of Constitution and Rules presented to the meeting be adopted as the Constitution and Rules of such organisation.</i></p> <p>Proposed by Anthony Tringham and seconded by Frank van Rijen.</p>	<p>The formation of Tomatoes New Zealand Incorporated was agreed at the 2014 Annual General Meeting. This remit seeks to adopt the Constitution and Rules of the new Incorporated Society.</p> <p>A copy of the proposed Constitution and Rules was circulated with the Annual General Meeting papers and is available on www.tomatoesnz.co.nz or by contacting Lynda Banks on Lynda.banks@hortnz.co.nz or phone 04 494 9972.</p>
2.	The current Tomatoes New Zealand Chairman and Directors shall become the initial Chairman and Directors of Tomatoes New Zealand Incorporated.	
	<p><i>The current Tomatoes New Zealand Chairman and Directors shall be appointed as the initial Chairman and Directors of Tomatoes New Zealand Incorporated, in each case to hold office as set out in the Constitution and Rules.</i></p> <p>Proposed by Anthony Tringham and seconded by Frank van Rijen.</p>	<p>A list of the Chairman and Directors can be found on www.tomatoes.co.nz.</p>

Conference - Joint Guest Speaker Sessions

Tuesday 28th July

Julian Cribb, Keynote Speaker

The keynote speaker at this year's Horticulture New Zealand conference is Australian writer and communicator Julian Cribb.

Julian will take a hard look at the development of global agriculture and its ability to feed the planet and protect the environment.



Julian is a Fellow of the Australian Academy of Technological Sciences and Engineering. From 1996-2002 he was Director, National Awareness, for Australia's national science agency, CSIRO where he oversaw a 150 per cent growth in the organisation's media profile.

A journalist since 1969, he was editor of the *National Farmer* and *Sunday Independent* newspapers, editor-in-chief of the *Australian Rural Times*, and chief of the Australian Agricultural News Bureau. For ten years he was agriculture correspondent, science and technology correspondent and scientific editor for the national daily *The Australian*.

He has received 32 awards for journalism including the Order of Australia Association Media Prize, the inaugural Eureka Prize for environmental journalism, the inaugural AUSTRADE award for international business journalism, the Dalgety Award for rural journalism, two MBF Awards for medical journalism and five Michael Daley Awards for science journalism.

He was national foundation president of the Australian Science Communicators, president of the National Rural and Resources Press Club, a member of CSIRO advisory committees for agriculture, fisheries and entomology. He has served as a Director of the Australian Centre for International Agricultural Research, the Crawford Fund, the Secretariat for International Landcare, CSIRO Publishing, the Australian Minerals and Energy Environment Foundation and the National Science and Technology Centre, Questacon. He created "Future Harvest" the global public awareness campaign for the CGIAR.

His published work includes more than 8,000 print articles, 1000 broadcasts, 3000 media releases and 300 speeches. He is the author of *Open Science*, a new text on effective scientific and academic communication. His latest book, *The Coming Famine* (University of California Press, 2010) deals with the challenge of feeding humanity sustainably through the mid-century peak in human numbers and is receiving international attention.

Al McCone

Al McCone joined the NZ Army in 1982 as a uniformed psychologist following completion of his masters degree in Industrial/Organisational Psychology at the University of Canterbury. Al became National Manager for Staff Relations and Training for Landcorp Farming Ltd in 2011 where he helped drive change on how safety was viewed within the organisation, and how it was exercised on farm. In September 2014 Al joined WorkSafeNZ as the Programme Manager Agriculture. In this position he is responsible for the implementation of the Safer Farms Programme.



Anne-Marie Arts

Anne-Marie started The AgriChain Centre in 2000 with Hans Maurer. The AgriChain Centre offers value adding Biosecurity, Food Safety, Post-Harvest and Knowledge services to businesses and organisations at all points of the food value chain. Previously Anne-Marie managed the Quality Control function of Progressive Enterprises' Produce Distribution Centres.



She also developed and implemented a "Business Tool to Assist" programme for the Reduction of rejections and wastage within the Fresh Produce Supply Chain. Anne-Marie's current focus is on value driver based fresh food business improvement consultancy in New Zealand and the Pacific with a heavy focus on food safety.

Hans Maurer

Hans was a founding director of the business in 2000. His focus is business leadership and providing strategic advice to key clients. Hans maintains his continuous professional development through being a professional member of the Royal Society of New Zealand, a chartered member of the Institute of Directors and a fellow of the International Management Centres Association. Hans Maurer is a recognised strategist in the horticultural and produce industries. Clients include Horticulture New Zealand, United Fresh and the Ministry for Primary Industries (MPI). Hans was a member of the Advisory Group which guided the Horticulture Industry Strategy 2009-2020 project.



Ines Van Marrewijk

Ines van Marrewijk is a product manager at Groen Agro Control in the Netherlands. She specialises in plant hygiene, disinfection, food safety, residues of pesticides, water quality, and plant diseases and treatments. Ines' current role requires fielding all questions in the horticulture market and she is described as the 'communicator' between the laboratory and clients. Ines understands the science of pesticides and has worked on trials, research and analysis of a variety of topics in this area.



Trevor James

Trevor James is a senior scientist with AgResearch and has been involved in researching weed management for more than 40 years. Over this time his work has covered weeds in pastoral, arable, horticultural and environmental situations. Trevor is a keen photographer of plants and with colleagues has published three books on identification of weeds and their seeds.



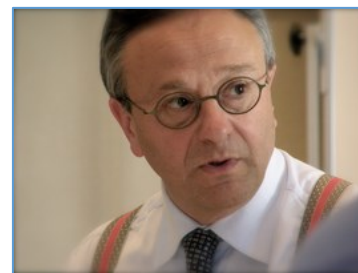
Robin Nitschke

Robin Nitschke is the Chairman and Manager of the NZ Tamarillo Growers Association. He was involved in navigating the tamarillo industry through the Tomato Potato Psyllid/ Liberibacter complex that threatened to annihilate the industry six years ago. This major hurdle presented the opportunity for a change in strategic focus. Robin developed a model to fit the tamarillo industry, and has managed the NZ Tamarillo Cooperative Ltd since its inception 12 months ago.



Ramsey Margolis

Ramsey Margolis is a cooperative business development strategist and founder of Huia C-D-S, a consulting company that can assist with the structuring, incorporating, financing and marketing of cooperative enterprises. Developing and implementing strategic campaigns for businesses based on equity, sustainability and solidarity that are grounded in cooperative values and principles, he believes, will create sustainable community wealth and build resilient values-led local economies.



Wednesday 29th July

GLOBALG.A.P. Presentations



GLOBALG.A.P. is one of the world's leading farm assurance systems that offers a clear focus on food safety paired with other significant elements of Good Agricultural Practices, a transparent and robust integrity system equipped with an increasing flexibility to respond to market requirements, and modular and customized solutions for certification, farm assessments, and capacity building. GLOBALG.A.P. schemes primarily focus on product safety, environmental impact and the health, safety and welfare of workers and animals.

The conference will focus on looking at the next step of quality assurance certification and how the Australian and New Zealand horticulture industries can incorporate integrity and trust with consumers and continue to build a reputation for food safety.

Dr. Kristian Moeller

Dr. Kristian Moeller, chief executive officer of GLOBALG.A.P., studied Agricultural Economy and Agribusiness Management at the Universities of Paderborn and Kiel in Germany as well as at the Purdue University, Indiana, USA. His experience was expanded by internships at Deutsche Bank, Hamburg, German-French Chamber of Commerce, Paris, and The Worldbank, Washington, D.C.



His dissertation was on Risks to Invest into the Central and Eastern European Food Industries. After 1 year of basic agricultural training on farms in Germany and the UK he became Manager European Projects and Senior Consultant Quality Assurance at the EHI-EuroHandelsinstitut e.V., Cologne, Germany, in the areas: Food, Fresh Produce, Meat, and Dairy Products.

Dr. Kristian Moeller started with EUREPG.A.P in 1997 (now GLOBALG.A.P), which he has been leading since 2001.

In September 2010, he opened the GLOBALG.A.P North America office in Bethesda, Maryland, USA, as founding President, and continues to hold this role in addition to his previous position as CEO of GLOBALG.A.P.

Belinda Millard

With over 20 years of experience in the Quality Assurance Industry, Belinda is a passionate and enthusiastic professional working in an executive role within Group Quality Technical Services for Australia's major retailer, Woolworths Ltd.

In her current role of Supplier Approval Manager, Belinda is accountable for audit program management across Woolworths Ltd eight operational business divisions. She is responsible for the on-boarding, inspection and compliance audits of a 4,600 strong supplier base across the Woolworths Enterprise. She currently manages a team of 6 local, and 11 international team members including Specialist roles located in Hong Kong, China and Bangladesh.

Tristan Kitchener

Tristan Kitchener is an independent advisor in the Fast Moving Consumer Goods sector, with a focus upon fresh foods and particularly fresh produce.

Previously, Tristan was the Group Merchandise Manager, Fresh Produce, at Coles Supermarkets (2005-09), and managed the national and state-based buying teams. From 1997-2001, Tristan was a Product Technologist and Auditor for Sainsbury's Supermarkets UK. His key responsibilities were identifying cost effective international sourcing routes and assessing producer capabilities.



Amanda Woodbridge

Amanda is an associate partner at communications consultancy Ideas Shop, New Zealand's only nationwide PR and communications firm. She's passionate about horticulture, and over the past decade has worked on many high-profile issues with HortNZ and its associated product groups from levy referenda to potato psyllid, and irradiation to the lobbying for the RSE scheme. Amanda brings an understanding for how to engage with the news media, the power consumers now have with the advent of social media and how issues evolve in the public domain – and the consequences for reputation.



Alan Timms

Alan represents International Procurement and Logistics (IPL), Asda Stores and Walmart in New Zealand and Australia. IPL, the largest importer of produce in the UK, is 100% owned by UK retailer Asda Stores which in turn is owned by Walmart, the largest retailer in the world.

Alan sources many different product lines from New Zealand and Australia for Asda and other Walmart subsidiaries primarily Walmart China and Seiyu in Japan. Alan has been with IPL since their inception 10 years ago.

