

Tomatoes New Zealand

Annual Report, 2015-16

The role of TomatoesNZ is to identify industry wide issues and initiatives that can be dealt with on a whole of industry level in order to facilitate achievement of the industry vision. To do this, we have to focus on initiatives that improve the returns to growers, whether that is fighting for better ways to control pests, better access to overseas markets or better technology to optimise the quality of tomatoes when they arrive at the final point of sale. Outlined below are the activities that have been carried out on your behalf over the last year.

Finances

TomatoesNZ recorded a surplus of \$35,161 at the year-end 31 March 2016, against a budgeted deficit of \$78,852

This was a result of levy take of \$414,203 being 18%, or \$64,203 up on budget levy income for the year. In addition, \$54,622 was reimbursed by HortNZ for levies under-allocated from the prior two years. An AGMARDT grant for \$20,000 that was expected for the wastewater project, was deferred to 2016/17.

The increased levy take indicates an industry value at first point of sale of \$118m for 2015-16; up \$20m on 2014-15, and the highest ever value on record.

Expenditure on R&D came in below budget, as some provisioned projects in the GIA/biosecurity and market access area did not occur. Conference and board meeting, and office and communications costs also all came in below budget.

The reserves at the end of 2015-16 are \$599,942

Research and development

In 2015-16 TomatoesNZ invested 44% of total expenditure in research and development.

We continued to:

- Engage consultants Market Access Solutionz to assist with biosecurity, market access and agrichemical access work;
- To participate in the Vegetable Research and Innovation Board;
- Conduct joint projects with the Vegetables New Zealand Covered Crops sector;
- And lead advocacy and new initiatives in areas of particular concern to fresh tomato growers.

Export Market Access

Fresh tomato exports were up this financial year - \$10.17m, compared to \$8.06m last year and a peak value of \$14.51m in 2011.

Growing exports (and thus moving volumes of product off-shore during the peak season) is the key to growing the sector's value. TomatoesNZ, with the assistance of Market Access Solutionz Ltd, is

continually working on making sure that fresh tomato exporters can maintain and grow access to Asian markets in particular.

This season we have worked with exporters and MPI on implementing market access requirements for Thailand; ensuring export systems will meet new market requirements for Japan; and discussing potential access to Vietnam.

Fresh NZ tomatoes do not currently have access to China or Korea. MPI, through the Plants Market Access Council recently “upped the stakes” for sectors that want them to negotiate access to “new” markets. Market access requests will now be prioritised according to a list of criteria, instead of on a “first in first served” basis. We submitted requests to prioritise fresh tomato access for China and Korea, including commissioning an independent assessment of the market potential in China. TomatoesNZ funded a preliminary market assessment for China to assist with this. We are waiting to hear the outcome of the prioritisation process.

TomatoesNZ, represented by Stephen Ogden of Market Access Solutionz, has a seat at the Plants Markets Access Council (PMAC), and provides feedback through that forum into PMAC and MPI funded market access projects such as the Fruit Fly Market Access Contingency project, and addressing changes by Australia to inspection protocols.

Biosecurity

On the 14th of March 2014 TomatoesNZ submitted an application to sign the Government Industry Agreement on biosecurity Readiness and Response. This is being assessed by MPI and will shortly go to the Minister for approval.

We have been involved in the development of the fruit Fly Operational Agreement, with Market Access Solutionz’s Gisele Irvine representing TNZ on the Fruit Fly Council. The operational agreement has been finalised, and once our Deed application is accepted and signed off, TNZ will be consulting with growers on becoming a signatory to the Operational Agreement.

In preparation for signing the GIA deed, TomatoesNZ have been investing the development of a “Tomato Biosecurity Management Plan”, which will be made available to growers.

Stephen Ogden of Market Access Solutions continues to represent TNZ on MPI’s Fresh Produce Advisory Committee (FreshPAC), which keeps us up to date on what is happening in the MPI plant imports environment (i.e. import health standards and quarantine changes).

Enhancing sustainability

A number of current projects fall under this TomatoesNZ strategy plank.

Tamarixia

Access to biological pest controls took a step forward with the approval by the Environmental Protection Authority (in June 2016) for industry to import for release the Tomato Potato Psyllid biocontrol agent *Tamarixia Trioaze*.

The application, made by Horticulture New Zealand’s Vegetable and Research Innovation Board on behalf of industry groups including Potatoes New Zealand, Tomatoes NZ, Vegetables New Zealand,

the NZ Tamarillo Growers Association and Heinz-Watties NZ Ltd., was several years in the development.

The success of this application paves the way for future applications. We have developed a considerable understanding of how the EPA application process works, and what is needed to get across the line.

A sustainable Farming Fund project starting in 2016 will carry out a programme of release and monitoring into outdoor horticultural environments, although tomato growers will also be able to import and release the parasitoid themselves.

Wastewater discharge

TomatoesNZ in conjunction with Vegetables NZ Inc. and AGMARDT co-funded a project that provides a technical resource for growers managing nutrient discharge, and demonstrates to regional councils that greenhouse growers have robust technical data to support their nutrient discharge practices. A check sheet and decision chart has been developed for growers to assess whether they meet council requirements, along with a template document for growers needing to apply for a discharge consent.

Addressing whitefly control issues

In February 2016 TNZ hosted a workshop consisting of industry researchers, consultants and growers to discuss the issue of increasing issue of whitefly control.

Four priority projects were identified:

1. Develop a resistance management strategy.
2. Register new agrichemicals
3. Build a community of interest with other crops
4. Hunt for *Macrolophus*

The first two will be addressed as part of a multi-crop Primary Growth Partnership project that is being led by the VR&I board. That project will seek access to sustainable pest control options and resistance management strategies.

Market Access Solutionz have worked with TNZ to develop a “top 5” list of agrichemicals, which are being investigated for feasibility of registration in NZ.

A project is being developed to implement a bioassay (in-field test) for growers to assess the susceptibility of insects to agrichemicals. AGMARDT funding is being sought for this joint project with Vegetables NZ and South Auckland potato industry stakeholders.

Options for a “hunt for *Macrolophus*” are being investigated.

Fresher by Sea research project

This project which commenced in 2014 with a comprehensive literature review of storing tomatoes and capsicums, moved on to testing out technologies and protocols for extending the freight life of the types of tomatoes that our growers export. A final report for this project is due in late 2016.

VR&I Board

TNZ contributes to the management and administration costs of this cross-vegetable sector research group, and TNZ board member Anthony Tringham represents us on the board. TNZ is or has been involved in several projects that are managed by VR&I:

- Monitoring biosecurity risks
- Tamarix application to the EPA and SFF project
- Agrichemical strategy working group - Ben Smith (T&G's) providing technical input for the tomato industry.

NZGAP

As a founding member of NZGAP, TomatoesNZ board member Malcolm Pook continued to sit on the board of NZGAP during 2015-16.

Advocacy

TomatoesNZ contributed to a number of industry issues and submissions this year, including significant input into HortNZ's submissions on the Emissions Trading Scheme review in early 2016.

We advocated on other issues including changes to import requirements for palletised seed (as a result of the velvetleaf in fodder beet weed incursion); and commented on MPI's "Information requirements for registration of a microbial organism used as an agricultural chemical" document; and a FSANZ review on the need to label irradiated foods.

Promotion and PR

In 2015-16, 10% of expenditure was spent on promotion activities, including:

- Participation in the joint vegetable product groups promotional activities under Vegetables.co.nz
- Membership of United Fresh
- Maintaining the TomatoesNZ.co.nz website
- Public relations – work promoting the labelling requirements for irradiated foods
- Participation in the Asia Fruit Logistica expo, Hong Kong

Irradiated food - labelling review and promotion of labelling requirements

In late 2015 we met with Food Standards Australia New Zealand to discuss our views on the labelling review, and in January we made a submission to the Food Standards Australia New Zealand review of the mandatory labelling of irradiated food. FSANZ will report back on the review to the Australia and New Zealand Ministerial Forum on Food Regulation late this year and may or may not publish the review report. So it will probably not be until 2017 that we hear the outcome of the review.

Just prior to the tomato import season (winter) we published the results of a consumer survey carried out on consumer attitudes to labelling irradiated food, which overwhelmingly showed that consumers wanted labelling. We also published findings of a survey of independent retail outlets that showed that many did not understand the labelling requirements.

We published advertisements and articles in magazines targeted at retailers and the food service sector, reminding sellers of the labelling requirements.

Asia fruit Logistica

Tomatoes New Zealand exhibited for the first time as part of the New Zealand Pavilion at Asiafruit Logistica, Hong Kong, Wed - Fri, 2-4 September 2015.

The expo was excellent exposure for New Zealand Tomatoes in a market that is lucrative, rapidly growing and is accessible to NZ. Over 30 contacts with traders (importers and exporters) were made at last year's show, and we hope to repeat or better that this year.

TomatoesNZ and NZ Hothouse will again support a stand at the expo in 2016. NZ Hothouse will send three people up to Hong Kong and taking samples of premium NZ tomatoes with them; while TNZ is paying for the stand which will be within the New Zealand Exhibit.

Young Vegetable Grower of the Year

TomatoesNZ supported this event by sponsoring a table at the YVGOTY dinner in Christchurch in April.

Product Group administration and management

Meetings and travel

The TomatoesNZ board including six elected members, two co-opted members and two observers meets three times per year, usually in February, May and October.

We are fortunate to have an engaged and diverse board who are passionate about contributing to the sector, and who come to meetings well prepared and ready to contribute. I want to acknowledge their contribution throughout the year – they serve the industry well.

Chris Sinnott, who attended meetings as an observer on behalf of other covered crops, has retired and has been replaced by Leanne Roberts. Stefan Vogrincic has stepped down in 2016, leaving a vacancy that will be filled by Hayden Armstrong who will return to the board after a year's absence.

Grower magazine

This continues to be the main communications vehicles with growers and industry stakeholders.

TomatoesNZ contributes \$13,000 per year to the cost of running the magazine, and provides a monthly column plus articles of interest to tomato growers. Surveys have shown that growers value the magazine as one of the key ways of staying informed.

Personnel

As chairman, I have almost completed four years with TomatoesNZ. I have agreed to stay on for two more years, by which stage I will have completed three two-year terms and it will be time for some fresh blood to take Tomatoes NZ (Inc) to the next stage of industry growth.

Helen Barnes, part-time Business Manager for TomatoesNZ, returned from maternity leave in June 2015 and has driven initiatives with passion and commitment throughout the year. Lynda Banks, Business Co-ordinator, continues to support the product group management and administration (and her work is very much appreciated). We are well served by our staff, and we should be grateful for the

amount of work that they do in the limited time that they have. The HortNZ finance team administer the accounts and coordinate the levy collection.

Helen and I participate in a number of industry-wide forums, particularly HortNZ's three Horticulture Industry Forums per year; the Vegetable Research and Innovation Board Industry Forum; and the Vegetable Chair's Forum. For the 2015 calendar year I chaired the Vegetable Chair's Forum and Helen provided the management/administration of the group.

Helen also works closely with VegetablesNZ on several research projects and the annual conference.

Move to a new structure

From 1 April 2016, all operations of Tomatoes New Zealand transferred to the Incorporated Society, TomatoesNZ Incorporated. Horticulture New Zealand will continue to collect the levy on fresh tomato sales on TomatoesNZ Inc.'s behalf until we seek a new levy order for 2019.

TomatoesNZ has signed a services contract with HortNZ, which will see HortNZ continue to provide the product group management, finance and administration services.

The move to an incorporated society has resulted in some additional costs. TomatoesNZ Inc. will be required to fund a separate annual audit, whereas before this was covered under HortNZ's audit. There is also a small additional office admin cost, due to implementing a new accounting system separate to HortNZ's (shown in the budget as office admin, \$600).

Alasdair MacLeod
Chairman, TomatoesNZ
July 2016