

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 quantifying current nutrient discharge. This is to proactively collect data and develop 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 the council is currently reviewing this.

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 and Biocontrol agent work

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