

2021 ANNUAL REPORT

TomatoesNZ 





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SNAPSHOT OF THE INDUSTRY

INDUSTRY STATISTICS



164

Number of growers
(as at March 2021)



\$108 million

Industry farm gate value
(down from \$127.8m in
financial year 2019/20)



\$7.12 million

Export value (FOB)
(down from \$12.2m in
financial year 2019/20)



\$458,585

Import value (CIF)
(down from \$608,695 in
financial year 2019/20)

TOMATO CONSUMPTION



8.8 kg

The average volume of fresh
tomatoes purchased from
supermarkets per household
in a 12 month period



#2

Rank in value sales within
fresh vegetables in 2020
(down from #1 a year ago)



95%

of all households who
purchased tomatoes have
purchased more than once



7/10

Buying households have no
children at home
(opportunity to do more
with families and younger
shoppers)

ENERGY USE IN GREENHOUSES



95%

of the total area
of greenhouses
are heated
(based on the
2020 survey)



85%

Covered crop area
that tomatoes and
capsicums make up
(with cucumber and
lettuce next highest)



15%

Greenhouses surveyed
have been built in the
last 10 years
(37% of greenhouses
are older than 20 years)



#1

Natural gas is the most
common fuel for heating.
(Coal is more prevalent in the
South Island, while natural gas
dominates in the Upper North)



VISION FOR THE INDUSTRY:

Tomatoes you love from
growers you can trust.



PURPOSE OF TOMATOESNZ:

Building a resilient,
sustainable and profitable
New Zealand tomato industry.

INDUSTRY VALUE (YEAR TO 31 MARCH)

YEAR	DOMESTIC SALES \$ MILLION	EXPORT SALES \$ MILLION	TOTAL VALUE \$ MILLION
2020-21	108.1	7.1	115.2
2019-20	127.8	12.2	140.0
2018-19	124.3	10.3	134.6
2017-18	131.4	12.2	143.6
2016-17	119.9	9.6	129.5
2015-16	118.3	10.9	129.2
2014-15	105.1	8.1	113.2
2013-14	105.7	8.5	114.2
2012-13	95.8	9.9	105.7
2011-12	103.5	11.3	114.8
2010-11	107.1	14.5	121.6

NB: domestic sales calculated from tomato levy; income export sales
FOB value, based on New Zealand Statistics data.

CHAIR'S REPORT

During the past year we have all felt the effects of Covid-19, and this has certainly been noticeable on tomato sales.

Not being able to sell through independent stores severely affected many growers during alert level 3. Covid also impacted our exporters' ability to send tomatoes off-shore during the peak of season. Available freight space to our key export destinations, both by air and sea, was limited and the freight rates were substantially higher. Export volume in the peak months of January, February and March 2021 dropped to just under \$700,000, compared with over \$1.89m for the same period in 2020.

Covid also affected the way we worked, as growers changed the way they delivered to their customers, and growers stepped up hygiene measures. The TomatoesNZ board transitioned to meeting by zoom several times during the year. And following a period of see-sawing alert levels in Auckland we made the call to move the TomatoesNZ 2020 AGM to Zoom format too. This was disappointing but it was important everyone kept safe, and we had 28 growers and associates join the Zoom AGM in August 2021.

At the 2020 AGM members supported a grower remit *"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"*. A small working group of members of TNZ and VNZI members worked together to develop three options for members consideration. A structural solution wasn't favoured and members at the AGM will have the opportunity to support the preferred option as it was agreed the best outcome is better collaboration with Vegetables NZ to deliver greater value for all covered crop growers needs.

At the end of May 2020, long-time TomatoesNZ board member and Underglass Managing Director, Lex Dillon retired. Lex had been involved with TomatoesNZ for over twenty years, during which time he provided practical advice and invaluable knowledge to the board. Thank you Lex!



ZOOM BOARD MEETING



LEX DILLON



TOMATOESNZ BOARD IN WELLINGTON

In addition, we farewelled Edward Lee in 2020, as he moved away from growing tomatoes to concentrate on cucumbers. Edward has been an extremely helpful member of the board, and we are very grateful for the time he took building a close relationship with our Chinese and Taiwanese growers.



EDWARD LEE WITH FAMILY

In 2020 the TomatoesNZ board undertook a review of the industry strategy. The priorities and actions will guide TomatoesNZ activities over the next 3-5 years with a view to “building a resilient, sustainable and profitable New Zealand Tomato industry.”

A major focus of the year which will continue into future years is the governments agenda of decarbonising our economy including moving process heat users to renewable energy options. This is huge for the heated covered crop sector and is not just about coal in the South Island as gas pricing and availability is and will continue to put North Island producers under pressure to change.

Our goal under the government’s agenda is to be fossil free by 2050, and while this is not going to be without its challenges, we are working with EECA and government to enable support to our growers for this transition.

Barry O’Neil, Chairman

GENERAL MANAGER'S REPORT

Tomato growers can take huge pride in the way they responded to the challenges of 2020 with innovation and resilience.

Throughout the year and despite the lockdowns, growers adapted their production and sales to keep providing essential, healthy, high quality tomatoes for New Zealanders to enjoy; they kept employing people; and they kept contributing to the economy.

The challenges and frustrations of operating under the threat of Covid-19 have not yet disappeared. Border restrictions mean lower seasonal labour supply and greatly reduced opportunities to export; costs of operating have increased; and these challenges will still be in play for some time to come.

At TomatoesNZ we are continuing to work closely with the other horticultural product groups and Horticulture NZ to do everything possible to support growers. That includes speaking regularly with government officials and other stakeholders about policy and other settings that growers need to succeed and prosper. These range from conversations about future energy solutions, through to biosecurity and the types of R&D and innovation needed to take the industry forward.

We have had an intense couple of years of working with Biosecurity NZ (part of the Ministry for Primary Industries) on biosecurity responses where tomatoes are an impacted crop. Although we would prefer not to find ourselves in a situation of having to respond to new pests, because of the GIA partnership we have been able to ensure that decisions relating to these new pests are the best ones for industry, balancing the costs of responses with the potential impact of the new pest.

I recommend that growers review their biosecurity practises and familiarise themselves with the signs and symptoms of viruses like Pepino Mosaic Virus (PepMV) and Tomato Brown Rugose Fruit Virus (ToBRFV), and report anything suspicious immediately to the MPI hotline 0800 80 99 66.

Information for growers about

Tomato brown rugose fruit virus (ToBRFV) and Pepino mosaic virus (PepMV)

KEY ADVICE:

- Vigilance – ensure all staff are aware of the symptoms and report anything unusual.
- Establish good hygiene practices and processes. **START CLEAN – STAY CLEAN.**
- Limit visitor access.
- If something looks wrong, report to MPI 0800 80 99 66 and get it tested.

Tomato brown rugose fruit virus (ToBRFV)

What is tomato brown rugose fruit virus?
Tomato brown rugose fruit virus (ToBRFV) is a member of the *Tobravirus* genus. Tomatoes and capsicum are the main hosts. Peppers and certain weeds like black nightshade and groundnut have been shown to be hosts in experiments and may act as reservoirs for ToBRFV. ToBRFV is not present in New Zealand.

What does it look like?
Symptoms on tomato fruits include yellow spotting and discoloration, green spots and deformations, green grooves and irregular brown spots and wrinkled ripening patches. Fruits may be deformed and have irregular maturation. On tomato leaves, ToBRFV symptoms appear as mosaic symptoms, spots and yellowing. Leaves can also appear necrotic, puckered and deformed.

Why is it important?
ToBRFV is a primary host of ToBRFV. Crop production and tomato quality are affected, significantly impacting market value and increasing crop loss. ToBRFV may affect export markets.

How does it spread?
ToBRFV can be transmitted by mechanical means in crop operations such as pruning, weeding, and harvesting, but also by infected items such as knives, gloves, clothing, jewellery and containers. It can also be spread by insects in the greenhouse such as thrips, as well as via contact with infected fruits and plant material. The virus can survive in water, soil, plant material residues and root plant weeds, as well as in the ground. Tobravirus particles can remain infectious in seeds, crop debris and contaminated soil, on tools, gloves, belts, shoes, containers, greenhouse benches, and seedling trays for months to years. Volunteer crop plants and ornamentals weed species can serve as pathogen reservoirs. Tobravirus are very persistent and can last for a long time on host plants, and survive on inert materials (clothing, tools, in plant remains) in substrate and in soil without losing their virulence.

Pepino mosaic virus (PepMV)

What is pepino mosaic virus?
Pepino mosaic virus (PepMV) is a disease of greenhouse tomatoes as well as other solanaceous crops (e.g. potatoes and eggplants).

What does it look like?
Symptoms appear 7-10 days after infection and tend to spread along the stem. Affected plants can show stunting of the growing point of the plant or damage resembling hormonal herbicide damage. Leaves around the head of the plant may show mosaic and significant distortion while lower leaves may show brown necrotic lesions. Other leaf symptoms may be yellow spots which later develop into bright yellow patches on the leaf and 'budding' on the leaf surface. Symptoms observed on infected fruits have been described as 'budding' and may be more readily seen in red leaf varieties.

Why is it important?
PepMV infection does not always result in significant economic impact as fruit symptoms may be absent. It has been suggested that yield may be affected and fruit setting may be delayed. When present it is usually transmitted by mechanical contact.

How does it spread?
PepMV is spread by seed, soil and leaves and very easily through mechanical contact including contaminated tools, hands, clothing, direct plant-to-plant contact, and propagation. Greenhouse used as a pathogen and vehicle are also known to spread the disease.

What can I do at my greenhouse?
Strict hygiene measures are the only way to prevent an infection, and minimise spread. Set up and follow a greenhouse hygiene and disinfection protocol for staff and visitors, and minimise who can go into the greenhouse. For detailed advice on steps you can take read the "Green hygiene measures" poster issued by TomatoesNZ and refer to the covered crop biosecurity guide.

Who can I contact for more information?
TomatoesNZ has a fact sheet and a detailed grower information sheet on Tomato brown rugose fruit virus and Pepino mosaic virus. Contact us on 0800 80 99 66 or download from <https://www.tomatoesnz.co.nz/resources>.

If you think something looks wrong in your greenhouse please contact Biosecurity New Zealand on 0800 80 99 66.

TOMATOESNZ ToBRFV AND PepMV POSTER



FTEK PROJECT MEETING

Two exciting areas of research that TomatoesNZ began investing in during 2020 are a project with Callaghan Innovation and FTEK to automate some greenhouse tasks; and the Ministry for Primary Industries co-funded project A Lighter Touch, which brings together over 20 horticulture product groups and stakeholders and is aiming to transform the way that pests are managed.

We have a small project team involving tomato growers and consultants that are developing some concepts to explore under the seven-year programme.

I would like to acknowledge the superb support that I have from our HortNZ based staff, Karen Orr, Business Manager, and Jacqui Stalknecht, Senior Administrator. I was delighted that both Karen and Jacqui received HortNZ staff awards for their significant contributions to the organisation and industry during 2020 – acknowledgments that were well earned. I am also grateful for the excellent support that TomatoesNZ receive from the wider HortNZ teams including the finance, communications and biosecurity staff.



HELEN AND EMILIANO AT LINCOLN UNIVERSITY

Helen Barnes, General Manager

OUR BOARD

In 2020-21 the TomatoesNZ Board is made up as follows:



Barry O'Neil
Independent
Chairman, Tauranga



Simon Watson
Vice Chair, Grower
Representative, NZ
Hothouse, Drury



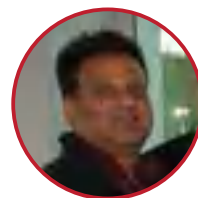
Albert Shih
Grower Representative,
Vege Fresh Growers
Ltd, Christchurch



Anthony Tringham
Grower Representative,
Vegetable Research & Innovative
Board Representative, Curious
Croppers, Clevedon



Callum Grant
Grower Representative,
Kakanui Tomatoes Ltd,
Oamaru



Mayank Saklani
Grower Representative,
Wing Shing Farms,
Papakura



Pierre Garguilo
Co-opted Member, JS
Ewers, Nelson



Allen Lim
Observer, Director of Vegetables
NZ Inc & member Covered Crops
Advisory Group, Jade Gardens,
Christchurch



Ben Smith
Co-opted Member,
T&G Global,
Auckland



Stefan Vogrincic
Co-opted Member,
Grower2Grower,
Karaka



Andrew Hutchinson
Observer, T&G Global,
Auckland



Helen Barnes
General Manager



Karen Orr
Business Manager



Jacqui Stalknecht
Administration

Tomatoes New Zealand's part-time staff are Helen Barnes (General Manager), Karen Orr (Business Manager), and Jacqui Stalknecht (Administration) based in the Horticulture New Zealand office in Wellington.

TELLING THE NZ FRESH TOMATO STORY, AND GROWING THE MARKET

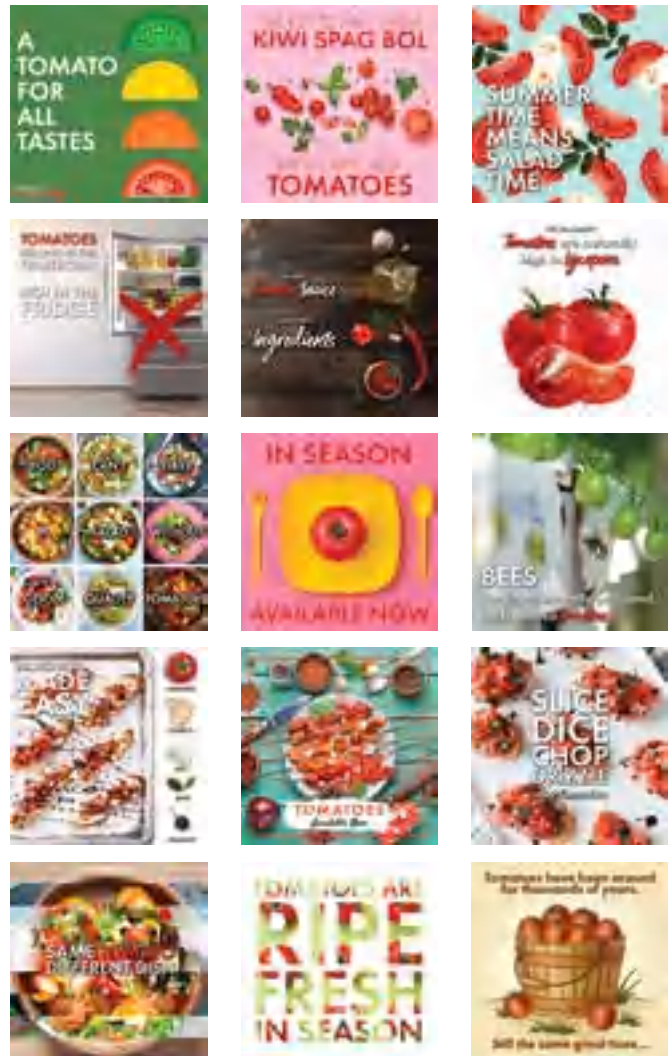
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The campaign used a series of rotating ads and interactive stories encouraging shoppers to add tomatoes to their weekly shopping basket. We developed twenty images and four videos for growers to share on their social media channels.

Overall the campaign reached 567,846 tomato fans, tomato cookers and vegetable cookers in New Zealand an average of 8.4 times, with over 4.7m digital ad impressions.

Facebook ads had 4,105 post reactions and 370 post shares and the campaign reached over 117.5k Instagram users.

We also teamed up with **5+ A Day** to enhance the ongoing promotion of tomatoes through their extensive social media and publicity channels. A tomato radio ad aired for two months, and a billboard in Mt Wellington, Auckland, celebrated the tomato season. 5+ A Day also worked with influencers to create and share recipes and inspiration with their large audiences using top quality tomatoes. The tomato influencer promotion reached over 370,000 people with 3,100 engagements, whilst 5+ A Day's Facebook posts had over 5000 engagements.



TOMATOESNZ PROMOTIONAL CAMPAIGN IMAGES

Celebrate New Zealand **tomato** season, delicious any time of the day!

Follow **@5adaynz** for fresh inspiration, seasonal recipes and great giveaways.

@5adaynz #5adaynz
www.5aday.co.nz

5+ A DAY BILLBOARD

Vegetables.co.nz

We have continued to support vegetables.co.nz activity providing education and resources on how to store and cook tomatoes and vegetables. They have been particularly busy working with intermediate school cooking teachers to help with teaching children how to prepare a healthy meal at home. Their range of easy recipes and educational resources can be accessed on their website for sharing with your networks.



VEGETABLES.CO.NZ TOMATOES VIDEO SNIP

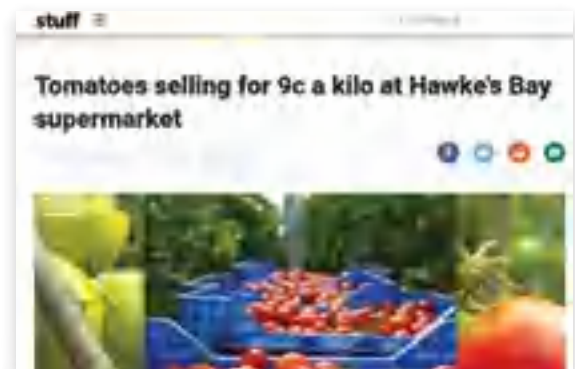
Import data

Imports of tomatoes from Australia during the 2020 winter totalled 72,222kgs, down on the 174,976kg imported during the winter months in 2019 and 523,950kg in 2018.



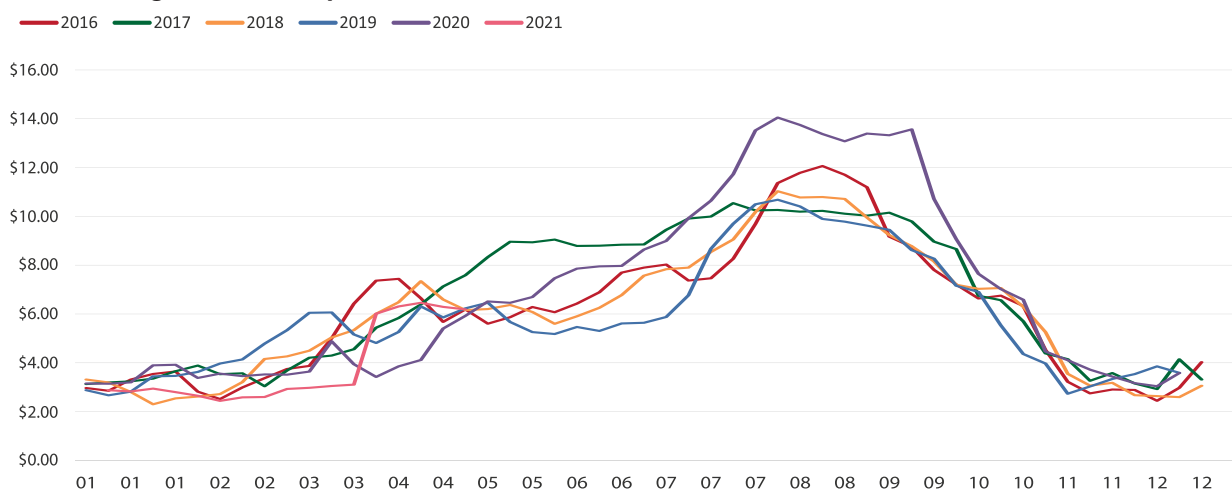
Consumer Price Index

Tomato retail prices have gone from an historic high in September 2020 of \$13.65/kg down to \$2.44/kg average weekly price in February 2021. This saw a bit of media attention including a 9c and 8c tomato stunt at two supermarkets.



TOMATOES 9C STUNT ATTRACTED MEDIA ATTENTION

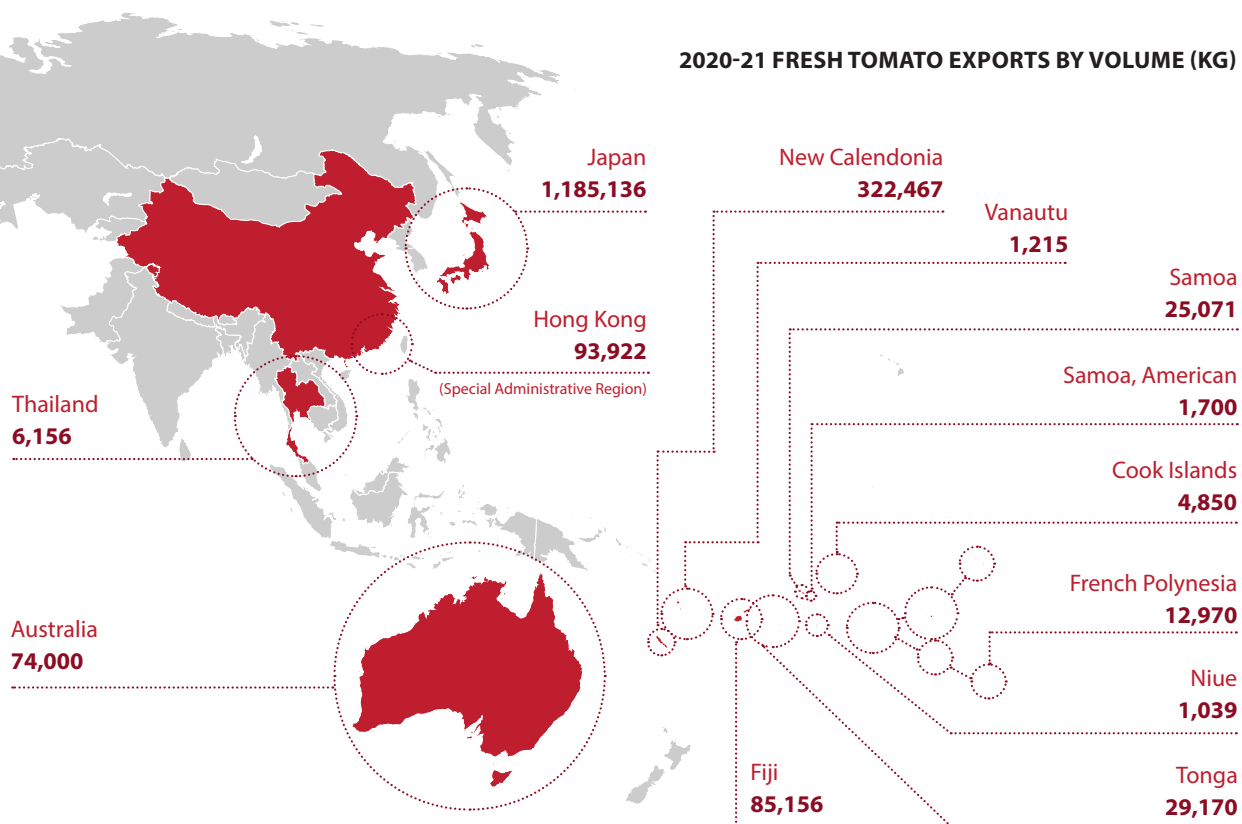
CPI NZ average retail tomato prices (loose round)



STATISTICS NEW ZEALAND CPI DATA

Export

TomatoesNZ provided liaison with exporters and MPI during the past year to feed back the situation in regards to covid, and the impact of freight shortages and rates on exporters.



Attracting new talent

During the past year we have continued to support the **'Young grower of the year'** competition with sponsorship, and the development of **'GoHort'** for career progression in horticulture.



HEATHER FEETHAM, 2021 PUKEKOHE YOUNG GROWER WINNER

Women in Hort

TomatoesNZ is proud to be able to support the Women in Horticulture initiative, including having GM Helen Barnes sit on the group's Executive Committee. This year saw a leap forward in activities, with the launch of a website (women-in-hort.co.nz) and social media platforms, and HortNZ employing Emma Boase to progress Women in Hort initiatives such as supporting regional events for horticultural women.



Agri-Women's Development Trust programme

Helen completed the Agri Women's Development Trust "Escalator" programme over 14 months during 2020-21. This programme has five modules: Building individual potential, Leadership; Governance, Strategy, Finance; Communication, & Media training; Future direction & Graduation. Participants hail from across the primary industries and regions. The escalator course has helped Helen confirm her "leadership why" of supporting New Zealand growers to grow the best they can, and grown Helen's self-confidence in a range of forums.



THE 2020 AWDT ESCALATOR PROGRAMME COHORT AT GRADUATION, APRIL 2021



HELEN BARNES ON NEWSHUB

Telling our story

TomatoesNZ stepped up our media presence, with Helen Barnes talking on several topics including greenhouse heating, red spider mite and a supermarket stunt selling extremely cheap tomatoes in February.



SUPPORTING GROWERS

T&G REPOROA TOUR

Agrichemical Compliance booklet & posters

A TomatoesNZ "New Zealand residue compliance information for fresh greenhouse tomatoes 2020" poster and booklet has been updated to include information on biopesticides. This was sent to all growers and is also available to download.



TOMATOESNZ UPDATED BOOKLET AND POSTERS

Networking

During the summer we joined with OnionsNZ to take a tour of government officials to visit a tomato greenhouse. In addition, Barry O'Neil has been active talking with Ministers and senior government advisors about tomato growers challenges, in particular on energy. We are fortunate that his role as President of HortNZ has enabled wider conversations.



T&G FAVONA TOUR

Workshops

Greenhouse specialist, Elly Nederhoff, provided a series of articles on energy efficiency for greenhouse vegetable growers starting in October 2020. These monthly articles are published in NZ Grower magazine and are also on our website. In May, Elly joined other presenters to talk further on this at two grower workshops, with further research planned.

TECHNICAL



ENERGY-WISE HUMIDITY CONTROL

Words by Elly Nederhoff - Crophouse Ltd



A large part of the energy used in a greenhouse is for temperature and humidity control.

There are two sides to humidity control: in summery conditions it is about avoiding too low humidity and the risk of drought stress. In winter, it is about avoiding too high humidity for two reasons: avoiding fungal diseases and keeping plants active. In relation to energy saving, the focus is on high humidity winter-like situations. The standard method of keeping humidity low is by applying concurrent heating and venting, albeit in a smart way. But this wastes energy. The modern approach is based on air movement, air exchange and good screens.

Preventing condensation and diseases

First a brief recap of last month's article. It is very important to have a uniform temperature pattern in a greenhouse. Greenhouses with an uneven temperature and/or wet areas always harbour cold spots, where condensation occurs and diseases develop easily. This makes it necessary to choose the setpoint for relative humidity (RH) at a very low level, say in the 70% range. In contrast, if there are no cold spots, the RH can be safely maintained at a much higher level, even in the 90% range. Creating a uniform climate saves a considerable amount of energy and should be the first priority. On top of that, the tips of the plants must not get too cold as this attracts condensation - which often happens at night, caused by heat emission from the plant tips to the cold roof.

Stimulating transpiration and nutrient uptake

The other main reason for avoiding too high humidity is to ensure that plants evaporate enough water, and thus take up enough water with nutrients. In winter, especially at night and especially under a screen, transpiration can stagnate. This can lead to nutrient deficiencies, in particular calcium related problems. Then it can become necessary to 'activate' the plants.

In bright sunshine, transpiration is driven largely by radiation from the sun, while other factors have a relatively small effect. But when solar radiation is lacking, transpiration is low, and other climate factors such as air humidity, air movement, heating pipes and any artificial lighting have a greater impact. We can use those factors to 'activate' the plants, and ensure sufficient nutrient uptake.

The tips of the plants must not get too cold as this attracts condensation



Negative spiral of combined heating and venting

The standard method of controlling humidity in winter is by applying heating, venting or both simultaneously. This is often a negative spiral. Imagine you want to avoid the plants becoming damp at night, perhaps under a closed screen.

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ENERGY WISE HUMIDITY CONTROL,
PUBLISHED DECEMBER 2020 NZ GROWER

If the humidity is controlled by slightly opening the vents or the screen (1% - 5%), then it gets colder and subsequently a computer controlled system will increase the heating to maintain the required temperature.

Alternatively, if the humidity is controlled by increasing the heating (e.g. pipe temperature), the air temperature rises to the point where the computer calls for further opening of the vents and/or widening of the screen gap, again to maintain the required temperature.

Both scenarios achieve the opposite of what we want: while the computer system tries to prevent condensation, at the same time it stimulates transpiration. The plants add even more water to the greenhouse air, and that water needs to be removed again. In the end it works, but this negative spiral pushes the energy consumption up. There is a need for a more energy-efficient method of humidity control. The answer lies in air movement, air exchange with outside (or with the compartment above the screen), and using proper screens.



Screens

An energy screen is of great value, especially in cold climate zones. In mild climates, screens are valuable too, although the type of screen can be different: less insulating and more suited to shading in summer. There are many different screen materials, and it is important to choose one that is adequate for the conditions. The benefits of closing a screen in cold weather are clear: warm air stays under the screen, while the cold is kept in the compartment above the screen. Secondly, the tips of the plants do not lose their warmth to the roof, because the screen blocks heat emission. (Heat emission is heat radiating out from the plants to the cold roof, which chills the tips of the plants.) Hence the plant tips do not get wet from condensation and are less prone to infection. Thirdly, good screen material does not gather condensation in large drops, so the plants are not subjected to a continuous trickling of water droplets or rain showers.

High humidity under a screen

A well-known problem is the accumulation of water vapour under the screen especially at night. A partial solution is creating a small screen gap so water vapour can travel to the top compartment, where it condenses against the cold cladding. Unfortunately, even a small gap of 1% to 5% causes energy loss, which counteracts the intention of an energy saving screen. A partial solution is using a screen material that lets water vapour pass through. The next step is to utilise air movement. A further step towards a solution is allowing air exchange with the compartment above the screen or with the outside air. These steps will be discussed in a following article. ●

NZGROWER - DECEMBER 2020 45



STORAGE TANKS

Farm environment plan development for greenhouse growers

Environmental consultant, Andrew Barber, has been developing an environment management system suitable for greenhouse growers, including three case studies to show how the checklist can be used for development of farm environment plans for a greenhouse site. This is an add-on to NZGAP under their EMS module for farm plans and a workshop will provide more information on this in mid 2021.



BIOSECURITY

Government Industry Agreements (GIA) governance and readiness

TomatoesNZ continues to be involved in the governance of biosecurity readiness and response through GIA partnerships with Biosecurity New Zealand (Ministry for Primary Industries) and other primary industry sectors.

Our activities include representing the tomato industry in the Fruit Fly Council, Brown Marmorated Stink Bug Council, GIA Deed Governance Group and the GIA Plant Council, along with development of our own fresh tomato readiness activities.

Work under the Fresh Tomato Operational Agreement (OA) this year included investigating and short listing a range of agrichemicals currently not registered for greenhouse tomatoes NZ that could be useful in a *Tuta absoluta* incursion, and discussing with the owners of these chemicals if they would support registration. This work is ongoing.



Hygiene practices

Along with other product groups we developed a **grower biosecurity manual**, available in print and download for both covered crops and outdoor crops. We are also designing a greenhouse staff hygiene practices posters which will be provided to all members.



COVERED AND OUTDOOR CROP MANUALS

Biosecurity Responses

In the year from 1 April 2020 TomatoesNZ have been involved in responses of two tomato pest incursions – Tomato Red Spider Mite found in weeds in Auckland; and a positive test on a batch of tomato seeds for Tomato Brown Rugose Fruit Virus.

Two small well-established populations of **tomato red spider mite** (*Tetranychus evansi*) were found by Biosecurity NZ on nightshade weeds at two Auckland locations during routine surveillance in May 2020. Tomato Red Spider Mite (TRSM) is very small – the size of a full stop, so accurate identification requires an expert. A field survey of commercial growing sites across the greater Auckland region was conducted to determine the mite's spread, and no evidence of TRSM was detected in the 30 sites growing horticultural host crops sampled. By the survey completion in December TRSM was detected in eight sites (including the original three; mainly gardens), covering an area of 91.4km. Because of the large area that the pest has already established, the difficulty in identification, and low export trade impacts, MPI and industry parties agreed that eradication was not feasible, instead focusing on long-term management instead of eradication.



RED SPIDER MITE INFESTED FRUIT

Photo: Alain Migeon, CBGP – INRA, Monferrier-sur-Lez, France.

Early detection of an unwanted virus

Tomato brown rugose fruit virus (ToBRFV) tested in a small tomato seed lot in late 2020 allowed quick action to be taken to contain and prevent it taking hold in New Zealand. All the seeds and resulting plants and plant material were destroyed. GIA industry partners and Biosecurity NZ met in February to discuss measures growers can adopt for good greenhouse hygiene to prepare for, and help prevent spread of this virus. This virus is mechanically transmitted so it can be easily spread and can survive on greenhouse surfaces for up to 6 months.

Key recommendations are:

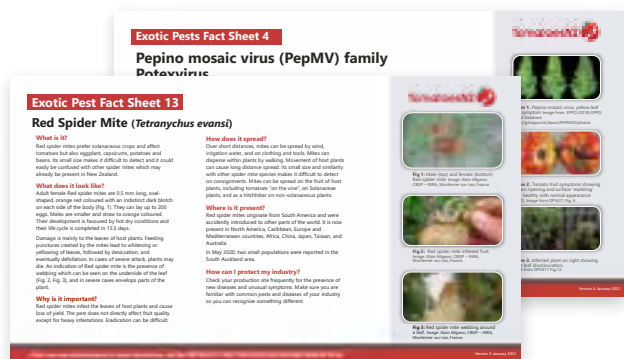
- **Start clean, stay clean**
- **Maintain or enhance good hygiene practises**
- **Staff training and vigilance**
- **If something looks wrong, report it to MPI 0800 80 99 66 and get it tested.**



TOBRFV SYMPTOMS ON TOMATO LEAVES

Image: Dr Aviv Dombrovsky.

We now have 15 **Exotic pest fact sheets** available for download on our website, with the addition this year of Fall Army Worm, which has established in Australia.





TOMATOES NZ FACT SHEETS

Find-a-pest

This tool is designed to make users into the eyes and ears of the industry to identify any potential biosecurity threats. On the app, there are top risk pests to the New Zealand tomato and vegetable industry. There is some information about how to identify these pests and a reporting function if you think you have seen it.

This tool allows trained entomologists/pathologists to review submission by users to identify any potentially risky pests. This App was developed as a part of a joint SFF project funded by MPI, SCION, fruit groups, TomatoesNZ and vegetable groups.

How to use the app

Downloading the app.

Download from the Apple App Store or Google Play Store by searching for Find-A-Pest or use the QR code.

Login.

Login using your existing iNaturalist NZ ID or create one by using the login button.

IHS submissions

During April 2020 we submitted on MPI plant imports risk management proposal: 'Proposed phytosanitary measures for the management of pospiviroids on the importation of seeds for sowing and plants for planting'.

In July 2020, MPI updated the Import Health Standards **Seeds for Sowing** to better manage the risk of several viruses and viroids that impact tomatoes and to bring them into line with measures for other viruses. The amendments were for *Tomato Mottle Mosaic Virus* (on tomato and capsicum seed), *Tomato chlorotic dwarf viroid* (on petunia seed), *Tomato apical stunt viroid* and *Tomato plant macho viroid* (on tomato seed); and amended measures for *Potato spindle tuber viroid* and *Tomato chlorotic dwarf viroid* on tomato seed. The Import Health Standard for Importation of Nursery Stock also had a range of updates for these viruses and viroids on ornamental species.

TomatoesNZ have been actively working with MPI, including making submissions to their Emerging Risks system and on proposed amendments to the Import Health Standards, to ensure that amendments are appropriate and minimise the risk of one of these viruses or viroids arriving here.



SEEDLINGS



ADVOCATING SO GROWERS CAN GROW

Energy

We conducted a grower survey in October 2020 of all greenhouse tomato and vegetable growers to gather baseline data on growers' current heating requirements and capacity, and get feedback on growers' interest and capability to implement alternative options. The responses provided useful indicative data which has helped shape our responses to government policy consultation and directed our activity with providing information on efficiency improvement and transition options to lower emissions.

The **Climate Change Commission** (CCC) released their Draft Advice to Government for consultation in February 2021, including advice on the first three emissions budgets and on policy direction for the Government's first emissions reduction plan. We joined HortNZ in a submission, stressing the need for a clear energy transition strategy, suitable timeframes and support to allow growers to transition feasibly.

Changes to the **Emissions Trading Scheme** (ETS) have continued providing a strong signal that the carbon price will continue to trend upwards – to encourage transition to other fuel sources, in alignment with emissions targets. The first government auction was held in March 2021, along with the gradual phasing down of industrial allocations. New price controls, along with other mechanisms, align the supply of units with emissions targets and ensure that the ETS price does not drop below a predetermined level. A cap on emissions under the ETS has been introduced, based on national emissions budgets, and establishes the volume of NZUs that will be made available for auctioning each year.



EECA SPEAKING AT ENERGY WORKSHOP

Building relationships with key government agencies

TomatoesNZ has met with several government agencies to raise the profile of our industry, explain our challenges, and explore what government support could be provided for growers impacted by ETS price rises and the government's direction away from reliance on fossil fuels for heating boilers.

This included meeting with NZ Green Investment Finance; the Ministry for Business, Innovation & Employment Energy Transition team; The Energy Efficiency Conservation Authority (EECA); and MPI Investment Services. We also formed relationships with energy consultants, and boiler and biomass suppliers, and the Bioenergy Association who have offered information and opportunities to work together.



DAMIEN O'CONNOR & MIKE CHAPMAN AT JS EWERS, TASMAN

EECA

TomatoesNZ, together with Vegetables NZ, formed a stronger relationship with the **Energy Efficiency Conservation Authority (EECA)** signing an industry collaboration agreement in early 2021. The collaboration agreement means that we will partner on projects to help the sector with energy efficiency measures and renewable energy conversions. Recognising that there is not a 'one size fits all' approach for indoor vegetable growers, **a sector decarbonisation plan** is being developed during 2021 and will be shared with growers later in this year.

In May 2021 we held workshops in the South and North Islands to provide information on energy efficiency options, a scan of renewable energy options being used in the Netherland greenhouse industry along with an update on biomass and biofuel options from the Bioenergy Association, and updated on the EECA collaboration agreement plan for our sector.

In November 2020 a **Government Investment in Decarbonising Industry (GIDI) Fund** was announced. The \$70 million fund, administered by EECA, allows business and industries to access financial support to switch away from boilers run on coal and gas, to cleaner electricity and biomass options.

INNOVATION & TECHNOLOGY-LED SOLUTIONS

STEVE & EMILIANO

Insect biocontrol agent developments

Italian PhD student, **Emiliano Veronesi**, based at Lincoln University, has further developed his research into biocontrol agents during his second year of study. He is studying pairing biocontrol's *Engytatus* and *Tamarixia* for potential to control tomato potato psyllid (TPP), and more recently looking at control of whitefly.

Emiliano's research was supervised by Professor Steve Wratten, who sadly passed away in March. Steve supervised 90 PhD students, passing on his enthusiasm for insect ecology, biological pest control and agroecology. His wealth of knowledge and experience was influential for creating practical solutions from which growers would truly benefit. This included researching the use of 'good insects' in greenhouses to manage pests – without pesticides. "His theory was simple: we can always do more, to do better."

The three-year SFF programme to monitor and release *Tamarixia* finished on the 30th June 2020. The long-term hope is that *Tamarixia* will establish self-sustaining populations in the natural environment. Growers can also potentially use *Tamarixia* to help reduce TPP numbers in their crops by carrying out targeted BCA releases into cropping environments. To assist growers' use of *Tamarixia* in seasonal pest management programmes, a set of guides for the release and management of *Tamarixia* as a tool for managing Tomato Potato Psyllid (TPP) are available.



TAMARIXIA TRIOZAE RELEASE GUIDE

Labour saving automation

TomatoesNZ are providing funding towards the first stage of developing a labour-saving robotic solution for greenhouse vegetables with FTEK Limited. FTEK are greenhouse engineering specialists and the project is a collaboration with support from Callaghan Innovation, T&G Fresh, NZ Hothouse, NZ Gourmet and TomatoesNZ.

It is a three-stage automation project which began in mid-2020 with the team evaluating key greenhouse tasks and looked at how technology can be used and adapted over time. James Currie of FTEK says of developing something that will work for growers "The key is using technology they already know and customers they already work with."

Stage one of the project runs through to the end of 2021, with plans to start early pilot trials in early to mid-2022. Following the initial design and digital stages FTEK are on track for development of a physical prototype in mid 2021.



MARK CURRIE, FTEK, WITH ROELF SCHREUDER, NZ GOURMET


Integrated Pest Management

The **"A Lighter Touch"** SFFF (Sustainable Food & Fibre Futures) project involving collaboration between industry and the Ministry for Primary Industries (MPI) officially began on 1st April 2020. This project brings together twenty participating groups, including TomatoesNZ.

A Lighter Touch is a 7-year, \$27 million programme with the vision that New Zealand will become one of the most desirable sources of food in the world. The programme looks at how to integrate more sustainable crop protection practices to improve growing outcomes. A key focus is understanding the agroecosystem and reducing the opportunity for pests to thrive to reduce the need for crop protection interventions.



TomatoesNZ has been working with A Lighter Touch staff and a few key people to develop a model system for greenhouse tomatoes. The purpose will be to validate agroecological approaches to controlling whitefly and tomato potato psyllid, and the vision of an IPM programme that any tomato grower can use to manage greenhouse pests. We hope to get the first projects underway in the 2021-22 season.



AGENDA

of the 2021 Annual General Meeting (AGM)

4.15pm, Thursday 5th August 2021, Mystery Creek, Hamilton

1. **WELCOME**
Apologies, proxies and procedural motions
2. **CONFIRMATION OF 2020 MINUTES** 27
3. **CHAIRMAN'S ADDRESS** 4
4. **FINANCIAL STATEMENTS 2020-21** 31
5. **BUDGET 2021-22** 45
6. **LEVY & SUBSCRIPTION RATES**
7. **APPOINT AUDITOR**
8. **CONFIRM DIRECTOR ELECTIONS**
9. **MEMBER REMIT - COVERED CROPS**
10. **GENERAL BUSINESS**
11. **CLOSE**

Combined TomatoesNZ (Fresh Product group of Horticulture New Zealand) & Tomatoes New Zealand Incorporated

REMITs

of the 2021 Annual General Meeting (AGM)

The following remits, proposed by the TomatoesNZ Board, will be considered at the Tomatoes New Zealand (Product Group of Horticulture NZ) and Tomatoes New Zealand Incorporated combined AGM, being held 5th August 2021 at Mystery Creek.

REMIT 1

That the minutes of the TomatoesNZ combined AGM, 25th September 2020 by ZOOM, be taken as a true and correct record of that meeting.

Proposed by the TomatoesNZ Board

Explanatory Note

The minutes are included with the 2021 Annual report & AGM papers, posted to all members and available at www.tomatoesnz.co.nz.

REMIT 2

That the Chair and General Manager's report for the year ended 31 March 2021, as published in the 2021 Annual report & AGM papers, be taken as read and approved.

Proposed by the TomatoesNZ Board

Explanatory Note

The report is included with the 2021 Annual report & AGM papers, posted to all members and available at www.tomatoesnz.co.nz.

REMIT 3

That the audited Tomatoes New Zealand Incorporated financial statements for the year ended 31 March 2021 be adopted.

Proposed by the TomatoesNZ Board

Explanatory Note

The audited Tomatoes New Zealand Incorporated financial statements are included with the 2021 Annual report & AGM papers, posted to all members and available for download at www.tomatoesnz.co.nz.

REMIT 4

That the audited TomatoesNZ (product group of HortNZ) financial statements for the year ended 31 March 2021 be adopted.

Proposed by the TomatoesNZ Board

Explanatory Note

The TomatoesNZ component of the HortNZ financial statements are included with the 2021 Annual report & AGM papers, posted to all members and available for download at www.tomatoesnz.co.nz. The audited statement will be posted on the website when available, and tabled at the AGM.

REMIT 5

Endorse the TomatoesNZ Incorporated budget for the year ended 31 March 2022.

Proposed by the TomatoesNZ Board

Explanatory Note

The proposed budget is included with the 2021 Annual report & AGM papers, posted to all members and available for download at www.tomatoesnz.co.nz.

REMIT 6

That the Fresh Tomato commodity levy rate for the coming levy year remain at 0.35% at the first point of sale for domestic sales and, for exports the price received by the grower after deduction of all offshore costs for exports.

Proposed by the TomatoesNZ Board

Explanatory Note

This represents no change to the current levy rate; the levy is collected under Commodity Levies Act 1990 - Commodity Levies (Fresh Tomato) Order 2019.

REMIT 7

Confirm that there is currently no subscription membership rate.

Proposed by the TomatoesNZ Board

Explanatory Note

The rules of TomatoesNZ Inc. provide for a subscription membership rate to be set. Currently there is no subscription membership option.

REMIT 8

That the biosecurity readiness and response fresh tomatoes levy rate for the coming levy year remain at 0.10% at the first point of sale for domestic sales and, for exports the price received by the grower after deduction of all offshore costs for exports.

Proposed by the TomatoesNZ Board

Explanatory Note

This represents no change to the current biosecurity levy rate. The levy is collected under The Biosecurity (Readiness and Response—Fresh Tomatoes Levy) Order 2019.

REMIT 9

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

Proposed by the TomatoesNZ Board

Explanatory Note

BDO Spicer have carried out the audit for Horticulture NZ and its contracted organisations (including TomatoesNZ Inc.) since 2017, and TomatoesNZ Inc. and Horticulture NZ intend to continue that arrangement.

REMIT 10

2021 Covered Crops Merger Remit:

That members support continuation of the status quo structure for TomatoesNZ Incorporated.

Proposed by the TomatoesNZ Board

Explanatory Note

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

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

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

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

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

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

DRAFT MINUTES

of the 2020 Annual General Meeting

Held
Wednesday 25th
Sept 2020, 2:30pm
via Zoom

TomatoesNZ Chairman, Barry O'Neil, presided over 35 attendees.

Welcome

The Chairman welcomed members, acknowledging the necessity for the AGM to be a Zoom meeting with a shorter time frame due to the impersonal nature of Zoom. The chair asked Helen Barnes (General Manager) to run through meeting conduct and voting arrangements:

- The legal requirements needed to hold the meeting via Zoom have been complied with.
- Comments and questions should be expressed using the Q & A function and will be addressed during the meeting if possible or by email following the meeting.
- Questions on any of the remits need to be submitted as soon as possible.
- The movers and seconders for each of the remits have been pre-arranged.
- The meeting is being recorded.
- Voting will be via the Zoom polling function and each Grower organisation will have one vote.

The Chairman confirmed that there is a quorum for the meeting and declared the 2020 TomatoesNZ AGM open, encouraging attendees to reference the Annual Report for highlights of activities and progress during the year. The Chair also acknowledged the TNZ Board of Directors and their commitment to Tomatoes, the wider industry, and their support of the General Manager and administrative team.

Apologies

Apologies were received from Marilou Castaneda.

Life Members

Wim Zwart, Tony Norton.

Award of Merit Holders

Brian Nicklan.

Obituaries

John Seymour and Anne Gargiulo.

Proxies

One 'directed' Proxy was received from P H Kinzett and held by the Chair.

Minutes of 2019 AGM

The minutes of the 2019 AGM had been circulated, pages 24 to 27 of the meeting papers.

REMIT 1

It was resolved that the minutes of the TomatoesNZ combined AGM, Wednesday 31 July 2019 at Mystery Creek, Hamilton, be taken as a true and correct record of that meeting.

Simon Watson /Antony Tringham

Matters Arising

There were no matters arising.

Chairman's Address

A formal report was included on pages 5 to 19 of the meeting papers and taken as read.

The Chairman expressed his view that, as a product group within the horticultural sector, TomatoesNZ is well placed to meet the inevitable challenges ahead e.g., labour, supply chain disruption, uncertainty of global economy due to the Covid-19 pandemic. We have a healthy sought-after product which is increasingly being grown sustainably. The product is resilient against climate and the challenges we will face, like energy costs, can be overcome by working together.

Biosecurity is always going to be a major challenge and our investment is key.

The TomatoesNZ Board have developed a new strategy (included in Annual Report) and one of the priorities is telling the NZ fresh tomato story, with a view to increasing consumption. It is intended to put specific emphasis on a 'growing story' that consumers will relate to. In the past we have relied on Veges.co.nz to do this but are moving towards TomatoesNZ being in control of its own story.

General Managers Report

Helen began by thanking her small admin team, the chairman and the board of directors for their support.

- **Research & Development** - Some significant new projects have been getting underway this year.
- **Energy** – Has been a strong focus this year. The government has been quite active in this area and we have endeavoured to communicate the impact of some of the policy on our sector, through our submissions. We are making some good progress and are hoping to get some interesting projects underway, in terms of the energy efficiency and renewable energy space, while raising awareness in wellington of the plight our growers are facing with the rising ETS costs.
- **Automation** – We Recognise that labour is an increasing and ongoing issue across the sector, and we have been doing work in this space.
- **Environment** – Farm Environment Plans are coming along. We have been adapting NZGAP templates for indoor growers and these are almost ready to go live.

- **Biosecurity** – We have been doing a lot of work in this space however there have been a couple of incursions to deal with. Firstly, the Fruit Fly responses last year and more recently the new Tomato Red Spider Mite which is an ongoing effort at the moment. We have also been doing a lot of work in the pest & disease space and are delighted that the new project 'A Lighter Touch' has just got underway. We hope to be able to leverage wider industry and MPI support for future pest control through that project.
- **Capacity building and knowledge building** – A good number of new contacts have been established as a result of Helen's trip to the Netherlands last year (to attend the World Tomato Congress).
- **Media Opportunities** – As already mentioned, we have been working a little differently in the promotions and PR space and recently there have been new opportunities to raise the NZ Tomato Grower story.

The Chair acknowledged the work and effort of Helen and the small administrative team in supporting TomatoesNZ and growers, and their commitment to bettering the industry.

REMIT 2

It was resolved that the Chair's report for the year ended 31 March 2020, as published in the 2020 Annual report & AGM papers, be taken as read and approved.

Albert Shih / Mayank Saklani

Tomatoes New Zealand Incorporated Financial Statements 2019/2020

TomatoesNZ General Manager, Helen Barnes, presented the financial results for TomatoesNZ Incorporated (circulated in the meeting papers on pages 31 to 36):

- We continued to run two sets of accounts this financial year as we transitioned from having accounts within HortNZ including the original commodity levy set under HortNZ, to having independent accounts and levy as an incorporated society. The figures on page 31 of the papers are for the incorporated society and the total income of \$967,116 includes \$504,960 that has been transferred from the former product group looks higher than the total levy amount of \$447,325. Total expenditure was \$543,715 and surplus \$423,401. We already had approximately \$19,000 sitting in the incorporated society account so we have TNZ reserves of \$442,931.

REMIT 3

It was resolved that the audited Tomatoes New Zealand Incorporated financial statements for the year ended 31 March 2020 be adopted.

Callum Grant / Simon Watson

Tomatoes New Zealand Financial Statements 2019/20

The TomatoesNZ (product group of HortNZ) financial statements were circulated in the meeting papers, page 39. The income of \$4790 income was interest on the reserves and the expenditure of \$504,960 was the contract income that was transferred to the Tomatoes Inc account.

REMIT 4

It was resolved that the audited TomatoesNZ (product group of HortNZ) financial Statements for the year ended 31 March 2020 be approved.

Anthony Tringham / Albert Shih

TNZI Budget 2020/2021

The General Manager presented the TomatoesNZ budget for 2020/2021 circulated in the meeting papers on pages 40 to 42:

- This year we are budgeting a total income of \$393,750 which is lower than budgeted last year estimating a 10% reduction in income levy resulting from the impact of Covid-19.
- Budgeted Expenditure of \$ 535,644, has been kept at a similar level as the board felt it important to continue the work that we have been doing to support growers, despite the impact of Covid-19 and we had some reserves which have made this possible.
- Research & Development budgeted @ \$219,344 includes some money to be spent on biosecurity readiness work (excluding responses) which is included in the commodity levy expenditure budget. Other R&D is budgeted at \$171,000.
- Promotion @ \$24,500 has reduced compared to last year due to our reducing expenditure on Veges.co.nz.
- The Product group expenditure @ \$48,000 is also lower than last year due to less travel and no Conference this year.
- We are now required to report separately on the Biosecurity levy. In 2019/2020 we collected \$8000, having started only in February. We are budgeting \$125,000 in the current financial year. Most of that will go towards the expenses of the fruit fly responses in 2019 as we are required to pay back \$92,000 - our share of the total the \$18 million cost – which it has been agreed with MPI, we will pay over two years. Included in the budget for the current year is a small amount for Tomato Red Spider Mite response, so total expenditure of \$102,000 is expected leaving a surplus of \$23,000.
- We do have a future option of moving some of the biosecurity readiness work, that currently comes under the commodity levy expenditure, into the biosecurity levy expenditure but at the moment we are only including response expenditure in the biosecurity levy.

There was a question from A Tringham on the budgeted income for the biosecurity levy, which he felt appeared too high. Helen responded that the biosecurity levy rate is 0.1 compared to the commodity levy rate of 0.35 and the figure shown in the papers does not take into account any reduction due to Covid-19 so yes, it is probably a little on the high side if we have an impact from Covid-19.

REMIT 5

It was resolved to endorse the TomatoesNZ Incorporated budget for the year ended 31 March 2021.

Mayank Saklani / Callum Grant

Other remits

REMIT 6

It was resolved that the Fresh Tomato commodity levy rate for the coming levy year remain at 0.35% at the first point of sale for domestic sales and, for exports the price received by the grower after deduction of all offshore costs for exports.

Simon Watson / Albert Shih

REMIT 7

It was confirmed that there is currently no subscription membership rate.

Callum Grant / Anthony Tringham

REMIT 8

It was resolved that the biosecurity readiness and response fresh tomatoes levy rate for the coming levy year remain at 0.10% at the first point of sale for domestic sales and, for exports the price received by the grower after deduction of all offshore costs for exports.

Mayank Saklani / Simon Watson

REMIT 9

It was resolved that BDO Spicers be appointed auditors for the financial year ended 31 March 2021.

Anthony Tringham / Mayank Saklani

Tomatoes New Zealand Incorporated

Special Purpose Financial Reports

for the Year Ended
31/03/2021

Tomatoes New Zealand Incorporated
Performance Report
For the Year Ended
31 March 2021

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Tomatoes New Zealand Incorporated
Entity Information
For the Year Ended
31 March 2021

Legal Name of Entity: Tomatoes New Zealand Incorporated

Type of Entity and Legal Basis: Incorporated Society

Registration Number: 2629993

Date of Incorporation: 6th August 2015

Contact details

Physical Address: Level 4
Kiwi Wealth House
20 Ballance Street
Wellington 6011

Postal Address: PO Box 10232
The Terrace
Wellington 6143

Phone/Fax: Ph +64 4 472 3795

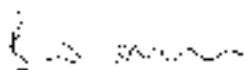
Email/Website: www.tomatoesnz.co.nz

Tomatoes New Zealand Incorporated
Statement of Financial Performance
For the Year Ended
31 March 2021

	Note	Actual 2021 \$	Actual 2020 \$
<u>REVENUE</u>			
Contract Income	1	-	504,960
Levy Income	2	426,217	447,325
Biosecurity Levy Income	2	118,557	8,356
Other Income		16,585	6,268
Interest	3	5,028	207
Total Revenue		566,387	967,116
<u>EXPENSES</u>			
Research & Development		198,605	153,186
Biosecurity		39,742	-
Meetings & Travel		24,735	81,110
Office and Communications		251,711	238,674
Audit Fees		5,449	6,441
Promotion		53,988	64,305
Total Expenses		574,229	543,715
Net Surplus/(Deficit)		(7,842)	423,401

Tomatoes New Zealand Incorporated
Statement of Financial Position
As at
31 March 2021

	Note	Actual 2021 \$	Actual 2020 \$
<u>ASSETS</u>			
Current Assets			
Bank accounts and cash	5	479,065	432,378
GST Receivable		10,755	-
Debtors and prepayments	6	45,724	122,998
Total Current Assets		535,544	555,376
<u>LIABILITIES</u>			
Current Liabilities			
Creditors and accrued expenses		100,455	109,543
GST Payable		-	2,902
Total Current Liabilities		100,455	112,445
Total Assets less Total Liabilities (Net Assets)		435,089	442,931
<u>ACCUMULATED FUNDS</u>			
Accumulated Funds		347,917	434,575
Biosecurity Reserve	7	87,172	8,356
Total Accumulated Funds		435,089	442,931



BARRY O'NEIL
TNZ Inc. Chair & Director
Dated 24 June 2021



SIMON WATSON
TNZ Inc. Vice Chair & Director
Dated 24 June 2021

Tomatoes New Zealand Incorporated
Statement of Cash Flows
For the Year Ended
31 March 2021

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Contract Income	-	412,591
Levy Income	624,365	409,540
Other Income	16,585	6,268
Interest	5,028	207
GST (Paid)/Received	(13,657)	(1,039)
Cash was applied to:		
Payments to suppliers	585,634	483,872
Net Cash Flows from Operating Activities	46,687	343,695
Net Cash Flows from Investing and Financing Activities	-	-
Net Increase / (Decrease) in Cash	46,687	343,695
Opening Cash	432,378	88,683
Closing Cash	479,065	432,378
This is represented by:		
Bank Accounts and Cash	479,065	432,378

Tomatoes New Zealand Incorporated

Statement of Accounting Policies

For the year ended
31 March 2021

Basis of Preparation

Tomatoes 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 apply 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 Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

Tomatoes 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 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

Tomatoes New Zealand Inc has an agreement with Horticulture New Zealand Inc to provide services of benefit to tomato growers in New Zealand. Horticulture New Zealand Inc provides funding to Tomatoes New Zealand Inc on this basis. The funds are to be spent in accordance with the Tomatoes New Zealand Inc 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.

Tomatoes New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2021

Note 1 : Horticulture New Zealand Contract Income

	\$ This Year	\$ Last Year
Income in advance opening balance	-	92,369
Contract Funding provided throughout the year	-	412,591
	-	504,960

As disclosed in the accounting policies Tomatoes New Zealand Incorporated has an agreement with Horticulture New Zealand Incorporated to undertake the activities specific to the tomato industry and previously undertaken by the Tomatoes NZ Product Group. Tomatoes New Zealand Inc has agreed to ensure any funding it received from Horticulture New Zealand Inc is only used in accordance with the purpose for which it was provided by Horticulture New Zealand Inc which is defined by clause 17 of the Commodity Levies (Vegetables and Fruit) Order 2019.

In the year ended March 2021 Tomatoes New Zealand Incorporated did not require funding from Horticulture New Zealand Incorporated to undertake any activities specific to the tomato industry that had previously been undertaken by the Tomatoes NZ Product Group.

Note 2 : Levy Income

	\$ This Year	\$ Last Year
Levy Income	426,217	447,325
Biosecurity Levy	118,557	8,356
	544,774	455,681

From 1 April 2020 Tomatoes New Zealand Incorporated received funding through the Commodity Levies Fresh Tomatoes Order 2019. The Biosecurity (Readiness and Response - Fresh Tomatoes Levy) Order 2019 came in to effect from 3 February 2020.

Note 3 : Interest

	\$ This Year	\$ Last Year
BNZ	238	195
Horticulture NZ	4,790	-
IRD	-	12
	5,028	207

Interest is earned on deposits held with BNZ and from the IRD where the IRD determined that it had returned funds late. Interest was received from Horticulture New Zealand Incorporated from funds held on behalf of the Tomatoes Product Group for the year ended March 2020.

Note 4 : Taxation

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

Tomatoes New Zealand was incorporated on 6th August 2015. Trading started from 1 April 2016.

Tomatoes New Zealand Incorporated

Notes to the Performance Report

For the year ended 31 March 2021

Note 5 : Bank accounts and cash

	\$ This Year	\$ Last Year
BNZ Current Account	479,065	432,378

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 6 : Debtors and prepayments

	\$ This Year	\$ Last Year
Trade Debtors	43,407	122,998
Prepayments	2,317	-
	45,724	122,998

Note 7 : Biosecurity Reserve

	\$ This Year	\$ Last Year
Opening Reserve	8,356	-
Biosecurity Income received through out the year	118,557	8,356
Biosecurity Expenses paid through out the year	(39,742)	-
	87,172	8,356

Tomatoes New Zealand Inc must spend the Biosecurity Reserve to meet its commitments to Readiness and response activities as per the section 100 Y(2) & (3) of the Biosecurity Act 1993.

Note 8 : Commitments and Contingencies

Commitments

Tomatoes New Zealand Inc is committed to offering one PhD scholarship in the financial year 2022 with a total of \$49,500.

Tomatoes New Zealand Inc has committed to paying \$92,000 towards the fruit fly response (2019) as agreed under the GIA Fruit Fly Operational Agreement. In the year ended March 2021 a payment of \$34,500 was made towards this. The balance of \$57,500 will be paid in subsequent years.

Tomatoes New Zealand Inc signed a subcontract agreement in May 2020 for the 'A Lighter Touch' Sustainable Food and Fibre Futures project to contribute \$405,582 over the next 6 years.

Tomatoes New Zealand Inc signed an agreement in September 2020 for a three-stage robotics R&D programme to develop a commercialise advanced labour/cost saving automation solutions for the vegetable greenhouse industry. They are committed to paying a further \$37,500 to this programme.

Tomatoes New Zealand Inc is committed to approx \$29,240 (\$10,520 committed plus \$18,720 as a contingent) for Market Access Solutionz Ltd for the next financial year.

There are no further commitments as at balance date.

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date.

Tomatoes New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2021

Note 9 : 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 Inc being the main administrator of Tomatoes New Zealand Incorporated.

<u>Transactions Undertaken:</u>	<u>\$ This Year</u>	<u>\$ Last Year</u>
Contract funding provided (refer Note 1)	-	504,960

Anthony Tringham is on the Vegetable Research & Innovation Board.

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

Barry O'Neil is the Chair of Tomatoes New Zealand Inc and the President of Horticulture New Zealand Inc.

Simon Watson is the Vice Chair of Tomatoes New Zealand Inc. He is a managing director of NZ Hothouse Ltd who entered a transaction of \$2,083 for FTEK project contributions. He is also the director of Antix Group Ltd which had a transaction of \$2,467 for advertising content for social media with Tomatoes New Zealand Inc.

Note 10 : Events after Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year - nil)

Note 11 : Covid19

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TOMATOES NEW ZEALAND INCORPORATED**

Opinion

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

In our opinion, the accompanying financial statements of the Society for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the accounting policies specified on page 5 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.

Our firm carries out other assignments for the Society in the area of taxation returns. The firm has no other relationship with, or interests in, the Society.

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

We draw attention to page 5 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 5 of the financial statements and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Who we Report to

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

BDO Wellington Audit Limited

BDO Wellington Audit Limited
Wellington
New Zealand
24 June 2021

Profit & Loss with Budgets & Variances

HORTICULTURE NEW ZEALAND INC

As At: 31/03/2021

TomatoesNZ

Description	YE 2021 Actual	YE 2020 YTD
Levy Income	0	0
Interest	0	4,790
Expenses	(4,790)	(504,960)
Surplus/Deficit	(4,790)	(500,170)

In YE 2020 Tomatoes NZ Inc was paid for levies under their Commodity Order. The expense for Tomatoes New Zealand in HortNZ was the payment to Tomatoes New Zealand Inc for the provision of services to the tomato growers in New Zealand.

Income was interest from average reserves held in HortNZ.

ACCUMULATED RESERVES HELD IN HORTICULTURE NZ

	YE 2021	YE 2020
Opening Balance	4,790	504,960
Interest	0	4,790
Surplus/Loss	(4,790)	(504,960)
Closing Balance	0	4,790

PREPAYMENT - TOMATOES NZ Inc

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

In subsequent years any surplus/loss in TNZ has been recognised as Income in Advance in TNZ and as a Prepayment in HortNZ.

During the 2019/2020 year the Income in Advance in TNZI and the Prepayment in HortNZ from the previous year have been used.

The interest held by HortNZ from the 2019/2020 year has been paid out in the 2020/2021 year.

All the Accumulated Reserves held in HortNZ for TNZ Inc have now been paid to TNZI as TNZI has provided services to the tomato growers of New Zealand.

BUDGET 2021/22

Description	2020/21 Budget	2020/21 Actual	2021/22 Budget
Income			
Levy Income (Commodity levy)	393,750	426,217	420,000 ¹
Biosecurity services	3,500	5,419	7,500 ²
Interest		5,029	2,000 ³
EECA Grant		7,000	40,000
Automation project contributions		4,166	12,500
Total Income	397,250	447,831	482,000
Expenditure			
Research & Development			
Biosecurity			
BMSB OA	8,000	4,721	7,000
Fruit Fly OA	5,000	2,550	4,000
GIA Secretariat Funding	7,200	9,202	7,853
GIA Minimum commitments	7,500	7,559	8,000
Import Biosecurity & Fresh PAC	5,000	480	5,000
Tomato Sector OA	10,000	9,820	5,000
Biosecurity services			
Biosecurity subtotal	42,700	34,332	36,853
Market Access			5,000
PMAC	5,503		2,500
Export market access subtotal	5,503	-	7,500
Automation project	25,000	10,417	31,250
Bio-Protection Centre PhD	50,000	49,500	49,500
EPA reviews	4,000		2,000
Energy	3,000	10,168	50,000
Food safety			
Market Monitoring	2,000	1,863	2,000
New Agchems - Trials & Registrations	-		67,000
A Lighter Touch programme	47,000	47,597	8,000
Agrichemical Compliance Info for Growers	6,000	6,046	
Grower Resources			
Find-A-Pest			2,500
Tamarixia SFF project	2,100	2,100	
Technical Advice	5,000		
Women in Horticulture	2,000	2,000	2,000
Projects subtotal	146,100	129,691	214,250
R & I Manager	16,838	16,838	16,000
R & I Board - Research	8,203	8,203	7,982
VR&I Board subtotal	25,041	25,041	23,982
Total Research & Development	219,344	189,064	282,585

Description	2020/21 Budget	2020/21 Actual	2021/22 Budget
Meetings & Travel (includes conference)			
Conference			
Conference Delegates Travel & Registrations	10,000	280	17,000
Conference - Other	3,000	2,350	2,000
Total conference	13,000	2,629	19,000
General Travel (Incl. Board)	15,000	14,101	20,000
Daily Fees (Board)	15,000	6,064	15,000
Grower visits and workshops	5,000	1,940	7,000
Total Meetings, Travel, and Conference	48,000	24,735	61,000
Office & Communications			
Admin	500	593	500
Chairman Fees	35,000	35,004	35,000
District Association Grants	3,000	2,596	3,000
General/Training	3,000	1,949	2,000
Grower Magazine Support	12,000	12,000	12,000
Income Tax			
Legal Expenses			
Office Overheads	30,000	27,996	30,000
Photocopying	2,000	1,376	2,000
Postages	1,500	1,872	1,500
Print & Stat(Ex Xerox)	500	984	500
Salaries & Wages	150,000	165,846	165,000
Telephone & Tolls	1,300	1,496	1,300
Covered crops merger		1,653	
Total Office & Communications	238,800	253,364	252,800
Audit & Accounting	5,000	5,449	5,000
Promotion			
Public Relations		34,932	20,000
Consumer Research	5,000	7,888	10,000
United Fresh membership	3,000	3,000	3,000
Vegetables.co.nz	15,000	15,000	10,000
Website	1,500	1,056	1,500
Young Vegetable Grower of the Year Sponsorship			3,500
Export Market Development Grants			
Total Promotion	24,500	61,876	48,000
Total Expenses	535,644	534,488	649,385
Surplus Or Deficit	-138,394	-86,657	-167,385

Notes

¹ 2020/21 Commodity Levy income budget based on 2021 levy income to account for ongoing impact of Covid-19 and potential PepMV impact

² Services provided to MPI and later reimbursed

³ Estimated interest on reserves 2021-22

Summary of Commodity Levy Reserves	31-Mar-20 Actual	31-Mar-21 Actual	31-Mar-22 Budget
Within Hort NZ	4,790	-	-
Within TNZ Inc.	442,931	361,064	193,679
Total	447,721	361,064	193,679

Fresh Tomato Biosecurity Levies Income and Expenditure Budget 2020/21

	2019/20 Actual	2019/20 Actual	2021/22 Budget
INCOME			
Biosecurity Levy	8,356	118,557	125,000 ^A
EXPENDITURE			
Fruit Fly responses 2019 repayments		34,500	46,000
Tomato Red Spider Mite Response		4,981	
ToBRFV response		261	50,000
PepMV response			50,000
Total expenditure	0	39,742	146,000
SURPLUS/(DEFICIT)	8,356	78,815	-21,000
Reserves:	8,356	87,171	66,171

^A Based on an industry value of \$125m and bioscurity levy rate of 0.1% at first point of sale

Notes

[illegible]

TomatoesNZ

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