



2022 **ANNUAL** **REPORT**

TomatoesNZ 

OUR BOARD

The TomatoesNZ Board is currently made up with the following members:



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 Gargiulo
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



Roelf Schreuder
Co-opted Member, NZ
Gourmet Ltd, Waiuku



Stefan Vogrincic
Co-opted Member,
Grower2Grower,
Karaka



Rebecca Fisher
General Manager



Dinah Cohen
Business Manager



Jacqui Stalknecht
Administration

Tomatoes New Zealand's part-time staff are currently Rebecca Fisher (General Manager), Dinah Cohen (Business Manager), and Jacqui Stalknecht (Administration) based in the Horticulture New Zealand office in Wellington. Helen Barnes left her position of General Manager in February 2022, Karen Orr is currently on secondment to MPI from December 2021.



CONTENTS

INDUSTRY SNAPSHOT	2
CHAIR'S REPORT	4
THE YEAR IN REVIEW	6
ANNUAL GENERAL MEETING (AGM) AGENDA	9
REMITTS	10
MINUTES OF THE 2021 AGM	13
FINANCIALS	18

SNAPSHOT OF THE INDUSTRY



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



\$159 million
Industry farm gate value

up from \$108m in financial year 2020/21



\$2.58 million
Export value (FOB)

down from \$7.12m in financial year 2020/21



\$2 million
Import value (CIF)

up from \$458,585 in financial year 2020/21



150
Number of growers in the region

as at March 2022



\$5.92
Average price from Nov to Mar in 2022

compared to the same period in 2021 of \$3.13



There was a lot of media attention on the price of fresh tomatoes over the summer months

CHAIR'S REPORT

Another year – wow!

Another year has absolutely flown by since our last AGM, and it would have to go down as one of the most difficult and bizarre years in history. Who would have thought we could surpass last year's challenges, but we sure did!

Our biggest city where the majority of our tomatoes are produced was in lockdown for 107 days seriously impacting on people and businesses, many of which are still struggling to survive. Hospitality and outdoor market shut downs for extended periods not only impacted on those involved but also on how sales of fruit and vegetables happened.

Amongst all this from last year's record low of 8 cents for a kilo for tomatoes, this year we have in general had much stronger pricing, which the media often annoyingly picked up. The weighted average price of 1kg of tomatoes dropped from \$12.04 in October 2021 to \$6.16 in November 2021, but this figure was \$3.99 in November 2020, so still considerably higher. With these prices imports from Australia were of course up on the previous 2 years, with 350 tonnes imported over winter, something they didn't report on!

Labour along with price input increases was the biggest immediate challenge facing the industry, with no immediate resolution in sight due to many factors, including border closures, Russian aggression, and covid disruptive shipping chaos. Labour is both availability and affordability, with restrictions on RSE's and backpackers able to enter exacerbating the situation.

Energy and decarbonisation is the biggest mid-term challenge, as pricing driven by the ETS forces us out of coal and gas, along with the government's ban on new coal boilers in place from the end of last year, and existing coal boilers being banned from 2037. This is happening without any viable, reliable or affordable alternatives currently being available to many growers, nor the financial support to transition.

TomatoesNZ has been very active in working to influence government policy settings in these areas, working in partnership with HortNZ and in collaboration with VNZ Inc.

Unfortunately we have still been dealing with the biosecurity event that PepMV has brought. Luckily with our GIA partners and international colleagues we were quickly able to understand what we were dealing with, along with what we needed to do to minimise the risks to growers. Unfortunately it impacted on our export markets who suspended imports, but by working proactively with MPI all but Australia have reopened, and we are focusing our efforts now to get that access reinstated as it's such an important market for NZ tomatoes.

At the end of last year we said farewell to our long serving General Manager Helen Barnes, along with our business manager Karen Orr who went on a 12 month secondment to MPI. Helen was with TNZ for over 10 years and made a huge contribution with her ongoing dedication and commitment to the industry. Helen leaves TNZ with huge respect and with many grower friends, and while we are very sad to see her move on we wish her all the very best in her new role at GNS.

But we are lucky to have Rebecca Fisher help us out, ex Market Access Solutionz and Citrus NZ CEO, while we work through what resource we need if we are better aligned and collaborating with HortNZ and other vegetable product groups.

Dinah Cohen has also joined us taking over Karen's role, and both Rebecca and Dinah have quickly come up to speed and are doing a fantastic job.

Finally my thanks to the Board for their ongoing commitment and sound advice as we navigated some really difficult sector issues during the year. We are well served by their knowledge and experience and I have very much appreciated their support.



Barry O'Neil, Chairman



THE YEAR IN REVIEW

Dedicated webpage for the undercover crop sector

Together with VNZI representing fresh vegetables we have worked with EECA over the last 12 months to produce various tools that growers can implement themselves as a way of making sure their sites are operating as efficiently as possible in terms of energy. There is a checklist, an energy calculator, an energy benchmarking report and case studies all now on a dedicated page on the EECA website 'Support for covered cropping sector' <https://www.eeca.govt.nz/co-funding/sector-decarbonisation/support-for-covered-cropping-sector/>

This page will continue to be updated as new funding opportunities become available. These tools have been funded by TNZ in collaboration with the EECA and VegetablesNZ.



EECA WEBPAGE

Other energy related resources

VegetablesNZ co-funded an e-book that is free for all growers to download on 'Greenhouse Energy Efficiency – growing more and better with less fuel in commercial greenhouses'. This is a compilation of a series of articles that Elly Nederhoff produced for the NZGrower magazine but updated with the latest information and developments from the Netherlands greenhouse industry. Please checkout Elly's book here if you haven't already <https://dl.bookfunnel.com/bb6l8oi4bg>

Elly also wrote 'Technology Scan: Innovative technology for transition to a low-carbon greenhouse industry' available for reading on the TNZ website under 'hot topics' or email tomatoes@hortnz.co.nz for a copy.



GREENHOUSE ENERGY EFFICIENCY E-BOOK

Automation project with FTEK

As the financial year came to a close, FTEK was making final preparations to release the prototype of the Robotic Labour Assist Platform (RLAP) that they have been working on for the last 3 years. This incredible machine has a dual arm that can hold a variety of interchangeable tool heads allowing it to multi-task at heights from 0.5m to 4.5m.

The FTEK team aim to work on commercialising the RLAP over the next financial year.

TNZ, T&G, NZ Gourmet and NZ HotHouse have jointly contributed to this project.



FTEK ROBOTICS TEAM

A Lighter Touch

In February of this year Emiliano Veronesi submitted his PhD thesis to complete his research into using the mirid bug *Engytatus nicotianae* to manage the tomato-potato psyllid (TPP) in greenhouse tomato crops. The research showed that *Engytatus* has huge potential as a biocontrol agent as part of an integrated pest management programme and we look forward to Emiliano completing further research into how *Engytatus* performs in a commercial setting.

Emiliano's PhD was partly sponsored by TNZ.



EMILIANO VERNOSI



Summer promotions

TNZ partnered with 5+ A Day and Vegetables.co.nz to run a series of promotions aimed at consumers over the summer months. This included recipes using tomatoes as the main ingredient, a series of videos featuring Simon Gault and competitions on social media.

We also engaged Vanessa Baxter who set up a website and social media accounts under the name 'Tomato Source' to interact with and be a voice for tomatoes to consumers.



5+ AND TOMATO SOURCE

Biosecurity

Pepino Mosaic Virus was first detected in some New Zealand greenhouses in late April 2021 and TNZ has been working as the lead GIA partner with MPI ever since. Similar to Covid, PepMV is easily spread and hygiene practices are paramount. To date PepMV has only been detected in 5 sites in and around Auckland but towards the end of the financial year, we were instigating a testing regime open and free to all growers which will help us be more certain of this. If you get a call asking you to send in samples, please take this opportunity to test! PepMV is common in many countries and the effect is more on the plants than the crop. Growers who have the virus in their sites are NOT shut down!

We have worked with crate companies to ensure supply and hygiene practices. As we have seen that eradication of PepMV isn't possible, we continue to work with MPI to have a long term management plan in place including trying to reinstate Australia as an export market.



PEPMV SYMPTOMS

New Pest Factsheets have been uploaded to the TNZ website for grower use in their greenhouses. Please make sure everyone who works on your site has access to these. If you want printed copies – contact the Tomatoes NZ office tomatoes@hortnz.co.nz.

AGENDA
of the 2022 Annual
General Meeting (AGM)

3pm – 5pm, Wednesday 17th August 2022,
Pukekohe/Online

1. WELCOME	
Apologies, proxies and procedural motions	
2. CONFIRMATION OF 2021 MINUTES	13
3. CHAIRMAN'S ADDRESS	4
4. FINANCIAL STATEMENTS 2021-22	18
5. BUDGET 2022-23	30
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



Tomatoes New Zealand Incorporated

REMITs

of the 2022 Annual General Meeting (AGM)

The following remits, proposed by the TomatoesNZ Board, will be considered at the Tomatoes New Zealand Incorporated AGM, being held 17th August 2022 in Pukekohe.

REMIT 1

That any TNZ member attending the AGM online has the right to vote and for that vote to count, in addition to those attending in person in Pukekohe.

Proposed by the TomatoesNZ Board

Explanatory Note

As there is no HortNZ conference in 2022, we would like to offer every tomato grower the option of attending either in person or online but for their opinion to still count. At a future AGM we will change the rules to incorporate this as standard.

REMIT 2

That the minutes of the TomatoesNZ combined AGM, 5th August 2021 in Mystery Creek, be taken as a true and correct record of that meeting.

Proposed by the TomatoesNZ Board

Explanatory Note

The minutes are included with the 2022 Annual report & AGM papers, available electronically at www.tomatoesnz.co.nz.

REMIT 3

That the Chair's report and general update for the year ended 31 March 2022, as published in the 2022 Annual report & AGM papers, be taken as read and approved.

Proposed by the TomatoesNZ Board

Explanatory Note

The report is included with the 2022 Annual report & AGM papers, available electronically at www.tomatoesnz.co.nz.

REMIT 4

That the audited Tomatoes New Zealand Incorporated financial statements for the year ended 31 March 2022 be adopted.

Proposed by the TomatoesNZ Board

Explanatory Note

The audited Tomatoes New Zealand Incorporated financial statements are included with the 2022 Annual report & AGM papers, available electronically at www.tomatoesnz.co.nz.

REMIT 5

Endorse the TomatoesNZ Incorporated budget for the year ended 31 March 2023.

Proposed by the TomatoesNZ Board

Explanatory Note

The proposed budget is included with the 2022 Annual report & AGM papers, available electronically 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 2023.

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. We are planning to get quotes to potentially change auditors from 2024.



Tomatoes New Zealand Incorporated

DRAFT MINUTES

of the 2021 Annual General Meeting

Held
Thursday 5th
August 2021, 4:15pm
at Mystery Creek,
Hamilton

TomatoesNZ Chairman, Barry O'Neil, presided over 22 attendees.

Welcome

The Chairman welcomed members to the TomatoesNZ and TomatoesNZ Inc AGM and after acknowledging that there was a quorum, declared the meeting open at 4.27 pm. Following a reminder to adhere to the health & safety procedures outlined at the start of the day, the Chairman asked attendees to complete the circulating AGM attendee list and thanked the Sponsors for their support.

The Chairman pointed out that the agenda for the meeting was displayed overhead on the projected PowerPoint slide and also stated that the remits were standard with the exception of the additional member remit for covered crops, which came out of the resolution at the 2020 AGM.

General Business

The Chairman called for items of general business and the quorum number was raised as something to be considered. The Chairman responded that this would require addressing the rules which should be done over the course of the coming year with recommendations reported at the next AGM. The Chairman also suggested that the matter could be further discussed under general business later in the meeting.

The Chairman acknowledged the TomatoesNZ board members for their genuine desire to support and share their knowledge and expertise, ultimately ensuring a successful future for the Tomato industry in New Zealand.

Apologies

Apologies were received from Marilou Castanada, Roelf Schreuder.

Life Members

Tony Norton, Wim Zwart.

Award of Merit Holders

Brian Nicklan.

Obituaries

The Chair acknowledged and recognised the work of the late Steve Wratten and especially the work he had done to support the biological control effort for the covered crops sector, stating that TomatoesNZ very much appreciates the contribution that Steve made to the industry.

Proxies

Two 'directed' Proxies were received from **Malcom Pook** and **PH Kinzett Ltd** and held by the Chair.

Procedural Motions

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

Minutes of 2020 AGM

The minutes of the 2020 AGM had been circulated, pages 27 to 30 of the meeting papers.

REMIT 1

It was resolved that the minutes of the TomatoesNZ combined AGM, 25th September 2020 by ZOOM, be taken as a true and correct record of that meeting.
Callum Grant / Ben Smith

No matters arising – motion carried.

Chairman’s Address

A formal report was included on pages 4 and 5 of the Annual Report and taken as read.

The Chair acknowledged the difficulties felt by the industry over the past year. The impact of Covid -19 lockdowns, covid induced export difficulties and limitations, biosecurity, alongside the NZ Government’s energy price increases and directives in order to meet its climate change agenda.

The Chair also acknowledged the able-bodied leadership of General Manger, Helen Barnes and Business Manager, Karen Orr plus the administration support of Jacqui Stalknecht and thanked both Helen and Karen for their tireless effort.

General Manager’s Report

A formal report was included on page 6 and 7 of the Annual Report and taken as read.

The General Manager acknowledged that it had been a busy and challenging year for growers and also for the TNZ Board and staff, the busiest and most challenging of Helen’s 10 years as GM.

The General Manager related that the momentum of projects, under the TomatoesNZ strategy, has continued with some new programmes such as A Lighter Touch, the Energy decarbonisation work and manging new biosecurity responses. There has also been some promotional work to boost NZ consumption following the covid disruption to exports, and the board has been exploring the possibility of merging the covered crops sector.

The General Manager acknowledged her support team (Karen and Jacqui), and the support of the specialists in the HortNZ Resource Management team plus those in the other vege product groups that she and Karen work closely with, and also thanked the TomatoesNZ Board and Chairman Barry O’Neil.

REMIT 2
It was resolved 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.
Albert Shih / Mayank Saklani

No matters arising – motion carried.

Tomatoes New Zealand Incorporated Financial Statements 2020/2021

The TomatoesNZ Incorporated financial statements were circulated in the meeting papers on page 31 to 44.

TomatoesNZ General Manager Helen Barnes, presented the financial results explaining that TomatoesNZ has been operating as an Incorporated Society for two years now with a levy that is now independent from Horticulture New Zealand. Over the past two years TomatoesNZ has transitioned the money that was held as ‘reserves’ within Horticulture New Zealand, into TomatoesNZ Incorporated. That process is now complete with the final \$4790 (as detailed on page 44) having been transferred in the last financial year. No contract income (page 36) indicates that there was no income to move from TomatoesNZ product group of HortNZ, to TomatoesNZ Inc, during the transition. Any new levy coming in is going to TomatoesNZ Incorporated.

The reserves within Tomatoes NZ Incorporated, on page 35 described as total Accumulated Funds, are \$435,000.

Helen explained that the total revenue shown on page 34, of \$566,387 is made up of both the biosecurity levy and the commodity levy. Total expenses of \$574,229 shown on page 34, includes \$39,742 paid out of the biosecurity levy on responses.

REMIT 3
It was resolved that the audited Tomatoes New Zealand Incorporated financial statements for the year ended 31 March 2021 be adopted.
Simon Watson / Callum Grant

No matters arising – motion carried.

Tomatoes New Zealand Financial Statements 2020/21

The TomatoesNZ (product group of HortNZ) financial statements were circulated in the meeting papers, page 44.

REMIT 4
It was resolved that the audited TomatoesNZ (product group of HortNZ) financial statements for the year ended 31 March 2021 be adopted.
Mayank Saklani / Simon Watson

No matters arising – motion carried.

TNZI Budget 2021/2022

The General Manager presented the TomatoesNZ budget for 2021/2022 circulated in the meeting papers on pages 45 to 47.

Helen summarised that \$482,000 total Income (page 45) is being budgeted but that this is based on commodity levy income of \$420,000 which is similar to the previous year but lower than two years ago, due to the ongoing impact of Covid-19. The reason for the higher budgeted income this year is due to grants related to the decarbonisation plan in particular.

The General Manager also explained that the total budgeted expenditure (page 46) of \$649,385 this year, is going towards research & development, promotion, board, events, office & Communications.

The General Manger moved on to the biosecurity component of the income, noting that the biosecurity levy being collected is calculated @ 0.1 % on sales and pointing out there are still a couple of responses that are being paid from the income, one being the 2019 Fruit Fly response, which is being paid off over approximately two years with another year to go. These response costs are reflected in the total biosecurity expenditure of \$146,000 (breakdown on page 47). The combined total cost of the two virus responses is expected to be approximately \$100,000 and therefore the budgeted deficit is \$21,000, offset by accumulated funds of \$61,000.

- The General Manager called for questions: -
1. It was suggested that the biosecurity levy could increase out of control if the need for responses increased. The General Manager responded that we do have some control because the industry can agree or decline to be involved in a response and will make the decision based on the costs involved which it will be privy to.
 2. It was queried whether the number of Grower members had been increasing or decreasing as a result of recent pressures and the General Manager responded that membership had been stable over the last five or six years but that we had picked up a few new members in the latest year. Members tend to come and go but a levy is picked up via the wholesalers. The General Manager related that when TomatoesNZ moved over to the new levy order, the board requested more information from the wholesalers in order to better track who was paying the levy.

REMIT 5
It was resolved to endorse the TomatoesNZ Incorporated budget for the year ended 31 March 2022.
Anthony Tringham / Rupena Kovati

No matters arising – motion carried.

Other remits

The Chair pointed out that the Board had budgeted prudently for the last financial year due to the impact of Covid-19 so have finished up in a reasonably good position. Not knowing what lies ahead in terms of pandemic, biosecurity responses and other unforeseen events, the Board agrees that reserves should be used to support Growers when times are tough. The budget that has been presented, together with the levies set, should enable this.

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.

Callum Grant / Pierre Gargiulo

No matters arising – motion carried.

The Chair commented that a subscription rate had never been imposed therefore this could be a matter for consideration while addressing the rules under general business.

REMIT 7

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

Albert Shih / Anthony Tringham

No matters arising – motion carried.

The Chair confirmed that currently the maximum that the biosecurity levy could be increased to is 0.25% via Board approval which would be effective from the start of the next levy year being 1 October (it cannot be retrospective).

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 / Callum Grant

No matters arising – motion carried.

REMIT 9

It was resolved that BDO Spicers be appointed auditors for the financial year ended 31 March 2022.

Anthony Tringham / Simon Watson

No matters arising – motion carried.

Board Elections

Board members Callum Grant and Albert Shih retired by rotation. Both made themselves available for re-election.

- **Callum Grant**, fresh tomato grower from Kakanui was deemed nominated.
- **Albert Shih**, fresh tomato grower from Christchurch, was nominated.
- There were no further nominations.
- **Callum** and **Albert** are appointed, without the need for an election.

The Chair thanked Callum and Albert for making themselves available for re-election, reminding attendees that there is currently one vacancy for an **elected** member and the Board would like to increase diversity around the table. Members are encouraged to consider suitable candidates for this vacancy.

The Chair also explained that Roelf Schreuder had been **seconded** onto the TomatoesNZ Board in recent months due to his considerable knowledge and experience in respect of Pepino Mosaic Virus, and his contribution had been of great value

The Chair explained that the final remit is the result of that adopted at the last AGM, to consider a merger of the covered crops sector. That remit requested that options be developed for an opportunity to vote on combining covered crops under one representative product group or body.

Over the course of the year, a working group had met and considered the following three options: -

1. Continue with the status quo, with enhanced cooperation.
2. Establish a vegetable covered crop growers' body and a separate outdoor crop growers' body.
3. Establish one vegetable growers' body incorporating both covered and outdoor crops including tomatoes.

The working group was unable to land on a preferred option but had agreed to support closer collaboration so both the Vegetables NZ and the TomatoesNZ boards have agreed that the preferred approach going forward is to support the continuation of the status quo structure for TomatoesNZ and Vegetables NZ as separate entities but that the respective boards work to identify and act on areas for greater collaboration.

Therefore, if members approve this resolution there will be no need to vote on the structural options per last year's remit.

REMIT 10

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

Simon Watson / Pierre Gargiulo

No matters arising – motion carried.

General Business

The Chairman addressed the additional general business items raised during this meeting in respect of the need to consider changing the rules, in light of our new legal structure as TomatoesNZ Incorporated, around both the quorum number (currently 10) and the subscription membership rate.

The Chairman asked the attendees present, if there was agreement for the board to seek a legal review of the rules which they would then consider before reporting back to members at the next AGM, signalling well in advance, if there are to be changes. There were no objections from the floor.

There were no other items of general business.

Awards

Alasdair MacLeod was presented with a TomatoesNZ Lifetime Achievement Award in recognition of service to the industry, especially during his time as the first Independent Chair of Tomatoes New Zealand from 2012 to 2018.

The Chair thanked all present for their attendance and declared the AGM 2021 closed at 5:06pm.

Tomatoes New Zealand Incorporated

Special Purpose Financial Reports

for the Year Ended
31/03/2022

Tomatoes New Zealand Incorporated
Performance Report
For the Year Ended
31 March 2022

Contents

	Page
Non-Financial Information:	
Entity Information	1
Financial Information:	
Statement of Financial Performance	2
Statement of Financial Position	3
Statement of Cash Flows	4
Statement of Accounting Policies	5
Notes to the Performance Report	6-8
Auditors Report	9

Tomatoes New Zealand Incorporated
Entity Information
For the Year Ended
31 March 2022

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
 Wellington 6140

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 2022

	Note	Actual 2022 \$	Actual 2021 \$
<u>REVENUE</u>			
Levy Income	1	557,677	426,217
Biosecurity Levy Income	1	148,003	118,557
Other Income	2	62,513	16,585
Interest	3	203	5,028
Total Revenue		768,396	566,387
<u>EXPENSES</u>			
Research & Development		159,539	149,105
PhD Bio Protection Scholarship		49,500	49,500
Biosecurity		154,146	39,742
Meetings & Travel		42,857	24,735
Office and Communications		274,665	251,711
Audit Fees		7,110	5,449
Promotion		54,686	53,988
Total Expenses		742,502	574,229
Net Surplus/(Deficit)		25,894	(7,842)

Tomatoes New Zealand Incorporated
Statement of Financial Position
 As at
 31 March 2022

	Note	Actual 2022 \$	Actual 2021 \$
<u>ASSETS</u>			
Current Assets			
Bank accounts and cash	5	591,862	479,065
GST Receivable		-	10,755
Debtors and prepayments	6	63,342	45,724
Total Current Assets		655,204	535,544
<u>LIABILITIES</u>			
Current Liabilities			
Creditors and accrued expenses		172,509	100,455
GST Payable		21,713	-
Total Current Liabilities		194,222	100,455
Total Assets less Total Liabilities (Net Assets)		460,982	435,089
<u>ACCUMULATED FUNDS</u>			
Accumulated Funds		379,954	347,917
Biosecurity Reserve	7	81,029	87,172
Total Accumulated Funds		460,982	435,089



BARRY O'NEIL
 TNZ Inc. Chair & Director
 Dated 30 June 2022



SIMON WATSON
 TNZ Inc. Vice Chair & Director
 Dated 30 June 2022

Tomatoes New Zealand Incorporated
Statement of Cash Flows
 For the Year Ended
 31 March 2022

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Levy Income	688,135	624,365
Other Income	62,513	16,585
Interest	203	5,028
GST (Paid)/Received	32,468	(13,657)
Cash was applied to:		
Payments to suppliers	670,522	585,634
Net Cash Flows from Operating Activities	112,797	46,687
Net Cash Flows from Investing and Financing Activities		
Net Increase / (Decrease) in Cash	112,797	46,687
Opening Cash	479,065	432,378
Closing Cash	591,862	479,065
This is represented by:		
Bank Accounts and Cash	591,862	479,065

Tomatoes New Zealand Incorporated
Statement of Accounting Policies
For the year ended
31 March 2022

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.

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 2022

Note 1 : Levy Income

	\$ This Year	\$ Last Year
Levy Income	557,677	426,217
Biosecurity Levy	148,003	118,557
	<u>705,680</u>	<u>544,774</u>

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 2: Other Income

	\$ This Year	\$ Last Year
EECA Grant	26,431	7,000
A Lighter Touch reimbursement	6,870	-
Contribution Refund from Vegetable Research & Innovation	20,000	-
F-Tek project contributions	8,332	4,166
Other	880	5,419
	<u>62,513</u>	<u>16,585</u>

Note 3 : Interest

	\$ This Year	\$ Last Year
BNZ	203	238
Horticulture NZ	-	4,790
	<u>203</u>	<u>5,028</u>

Interest is earned on deposits held with BNZ . In year-end 2021 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%	-	-
	<u>-</u>	<u>-</u>

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 2022

Note 5 : Bank accounts and cash

	\$ This Year	\$ Last Year
BNZ Current Account	591,862	479,065

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	63,342	43,407
Prepayments	-	2,317
	63,342	43,407

Note 7 : Biosecurity Reserve

	\$ This Year	\$ Last Year
Opening Reserve	87,172	8,356
Biosecurity Income received through out the year	148,003	118,557
Biosecurity Expenses paid through out the year	(154,146)	(39,742)
	81,029	87,172

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 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. In the year ended March 2022 a payment of \$46,000 was made towards this. The balance of \$11,500 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 \$453,179. In the year ended March 2021 a payment was made of \$47,597. In the year ended March 2022 payments were made of \$17,597. The balance of \$387,985 will be made over the next five 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 the final quarter payment of \$12,000 in May 2022.

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 2022

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 with an employee of Horticulture New Zealand Inc being the main administrator of Tomatoes New Zealand Incorporated.

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 provided funding of \$4,166 towards FTEK project contributions.

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)



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 2022, and the statement of financial performance, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 31 March 2022 are prepared, in all material respects, in accordance with the accounting policies specified on page 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
30 June 2022

BUDGET 2022/23

DESCRIPTION	2021/22 BUDGET	2021/22 ACTUALS	2022/23 BUDGET
INCOME			
Fresh Tomato levy	420,000	557,677	450,000
Biosecurity services	7,500	880	5,000
Interest	2,000	203	2,000
EECA Grant	40,000	26,431	25,000
Automation project	12,500	8,332	4,700
VR&l reserves refund	0	20,000	0
Total	482,000	613,523	486,700
EXPENSES			
Biosecurity (exc responses) & Market Access			
BMSB, Fruitfly and Tomato OAs	16,000	17,091	15,000
GIA Secritariat and minimum commitment	15,853	16,761	20,000
Import Biosecurity	5,000	480	2,500
Market Access & PMAC	7,500	620	6,000
Total	44,353	34,952	43,500
R&D			
Automation Project	31,250	31,251	12,000
Bio-Protection Centre PhD	49,500	49,500	0
Energy	50,000	35,456	50,000
Market Monitoring	2,000	1,863	2,000
SFFF A Lighter Touch	50,000	24,788	100,000
Agchem Compliance & EPA	3,000	3,023	8,000
Find-A-Pest	2,500	5,000	2,500
Vegetable Industry Collaboration	0	0	20,000
VR&l Board	23,982	25,041	3,500
Total R&D	212,232	175,922	198,000
Promotion			
Public Relations + Seasonal Promo	20,000	41,261	0
Consumer data	10,000	7,888	0
United Fresh Membership	3,000	3,000	3,000
Veges.co	10,000	15,000	10,000
Website	1,500	1,056	10,000
YGOTY Sponsorship, WiH & District Ass Grants	3,500	4,596	1,000
Total Promotion	48,000	72,801	24,000

DESCRIPTION	2021/22 BUDGET	2021/22 ACTUALS	2022/23 BUDGET
Meetings/Travel			
Travel/Accom (incl Board)	20,000	14,864	15,000
Conference	19,000	2,629	3,500
Daily Fees	15,000	6,800	10,000
Grower visits & workshops	7,000	5,627	8,000
Total Meetings/Travel	61,000	29,920	36,500
Office/Comms			
Admin / printing / postage / photocopying / phone / District Association Grants	8,800	4,956	6,000
Audit & Accounting	5,000	7,110	5,500
Chair Fees	35,000	35,004	35,000
General/Training	2,000	2,066	2,000
Grower Magazine Support	12,000	11,000	12,000
Office Overheads	30,000	26,148	30,000
Salaries & Wages	165,000	180,796	200,000
Total Office/Comms	257,800	267,080	290,500
TOTAL EXPENSES	623,385	580,675	592,500
Profit / loss	(141,385)	32,848	(105,800)
Reserves	193,679	226,527	120,727

BIOSECURITY BUDGET	2021/22 BUDGET	2021/22 ACTUALS	2022/23 BUDGET
INCOME			
Biosecurity levy	125,000	148,003	120,000
EXPENSES			
TRSM response	0	4,981	0
Fruit Fly 2019 response	46,000	34,500	11,500
ToBRFV response	50,000	2,393	-
PepMV response	50,000	9,730	35,000
Virus project (inc test kits)	-	-	15,000
Wastewater discharge project	-	-	12,500
TOTAL EXPENDITURE	146,000	51,604	74,000
Profit / loss	- 21,000	96,399	46,000
Reserves	66,172	162,571	208,571

[illegible]

TomatoesNZ

PO Box 10232, Wellington 6140

P: 0508 467 869

E: tomatoes@hortnz.co.nz

W: www.tomatoesnz.co.nz