

# Vegetables

NEW ZEALAND Inc.

2024

YEAR ENDED 31 MARCH 2024

# ANNUAL REPORT

# OUR 2024 BOARD



**JOHN MURPHY**  
Chair,  
Grower representative,  
Murphy's NZ Ltd  
Blenheim



**ALLEN LIM**  
Vice Chair,  
Grower representative,  
Observer TomatoesNZ Board,  
NZGAP representative  
Jade Garden Produce Ltd  
Christchurch



**BRENDAN BALLE**  
Grower representative,  
Balle Bros Growers Ltd  
Pukekohe



**JAY CLARKE**  
Grower representative,  
Woodhaven Gardens Ltd  
Levin



**KIRAN HARI**  
Vegetables.co.nz  
representative  
Auckland



**BOBBY LOWE**  
Future Director,  
SKL Produce Ltd  
Auckland



**NICK POLLOCK**  
Grower representative,  
Board representative for  
Vegetable Research &  
Innovation Board (VR&I)  
LeaderBrand Produce Ltd  
Gisborne



**WARWICK SIMPSON**  
Grower representative,  
Simpson Gardens Ltd  
Ruawai



**ANTONY HEYWOOD**  
Vegetables New Zealand Inc  
General Manager

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# DASHBOARD

## Vegetables New Zealand Inc.

### ENERGY



**448**

Number of covered crop growers



**108**

Visits and other engagements



**10**

Energy transition plans and audits conducted

### NZGAP

NUMBER OF NZGAP CERTIFIED GROWERS



**223**

Social Practice - certified growers



**19 growers;  
8,900 ha**

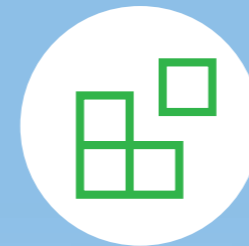
Environment Management System - certified growers and registered land area



**504**

Number of NZGAP certified growers

### RESEARCH



**65**

Extension events



**12**

Projects underway



**8**

Reports published

### PROMOTION AND EDUCATION



**~20,000**

vegetables.co.nz resources sent



**1**

Teachers day



**18**

Media releases



**40+**

Requests for interviews/mentions



# THE CHAIRMAN'S REPORT



## HIGHLIGHTS



Increasing consumption



Labour



Getting more done through collaboration



Permitted activity



Grower engagement



**CREATING THE RIGHT CONDITIONS SO VEGETABLE GROWERS CAN PROVIDE A FOUNDATION FOR HEALTHY, HAPPY NEW ZEALANDERS**

**Our growers have brought consistent vegetable supply to domestic markets this year, in a tremendous bounce back from the seasonal disasters of 2023.**

Unfortunately, the prices that growers receive have tumbled, while general inflation and interest rates have seen crop input and finance costs sting even more.

We have grown so well that the plentiful vegetable supply has depressed prices. Frustratingly, consumers have not rushed to buy the superbly priced food we have produced. Times are tough for New Zealanders. However, there is a very strong case to say that buying more vegetables and fewer other items will lead to a healthier bank balance for shoppers.



## ADD **ONE** MORE vegetable

### INCREASING CONSUMPTION

We have stepped up activity to demonstrate that fresh, healthy vegetables improve consumers' lives.

We launched the Add One More Vegetable initiative on 1 March 2024. The concept of Add One More Vegetable makes perfect sense: no matter how many or few vegetables you eat, you can always add one more! This concept is also supported by the health and education sectors.

AUSVEG runs a similar campaign. As part of our closer relationship with AUSVEG, we will benchmark Add One More Vegetable with their campaign, and build consistent messages for government and the media.

At the same time, I have joined the United Fresh Board and vegetables.co.nz has strengthened its ties with 5+ A Day, because it essentially has the same mission as vegetables.co.nz.

5+ A Day will work closely with us to drive consumption of fresh, healthy New Zealand vegetables going forward. This relationship will make our spend go further and ultimately, drive more interest in the Add One More Vegetable message.



**But is this enough? A grower said to me recently that it was great that we were 'trying to do what we've always done, better'. But they challenged me as to whether this would make a substantial difference.**

They are right. We need to be more ambitious and do things differently. This type of fundamental change will come from our dynamic growers – industry's role is to help lead and provide a platform for this, but our growers will be the ones that will drive real change. We will keep looking for the lightbulb moment.



## LABOUR

One of the more major challenges our growers continue to face is building teams of people who can consistently contribute to productivity. We need willing, able and skilled people to choose work in vegetable production.

More than ever, our growers have well-paid salaried and waged positions that can be part of a rewarding career trajectory.

In May 2024, Vegetables NZ facilitated a labour workshop involving some of our prominent growers and industry partners. We discussed how we could get Kiwi 'goers' involved in our operations; how to make the benefits of the Recognised Seasonal Employer (RSE) scheme more available to vegetable growers; and what immigration settings might benefit our sector.

We are developing a coherent plan to deliver on these objectives, so that we can work with HortNZ (as custodians of the RSE scheme) and other product groups to get real change, which results in more good people becoming available to us. It is essential that we get the right people working with us, at the right time.

## GETTING MORE DONE THROUGH COLLABORATION

In my view, vegetable product group and HortNZ staff are working well together, and are very focused on their roles having a positive impact on vegetable growers' businesses. At the same time, however, having more of a shared purpose and structure that fits the wider industry better would allow our industry to be more ambitious and deliver more for growers.

Following consultation with growers by the Vegetable Product Group Collaboration Group last year, we found that growers overwhelmingly support one organisation representing growers in a product group capacity. As a result, a Collaboration Group taskforce is drawing up potential structures that would provide for a more collaborative approach, while maintaining the singular momentum of a crop focus as much as is practicable.

This is all about getting more done for growers. We will be communicating a clear option to growers in 2024, and asking you to support a new structure that will get more done for you.

## PERMITTED ACTIVITY FOR VEGETABLE GROWING

We have been outspoken in our calls for a nationwide approach that allows permitted activity for commercial vegetable growing. This is the only option that will deliver ongoing food security and allow New Zealanders to fulfil their potential. Without it, in the long term, growers will exit the industry, which will reduce supply and increase price.

Over the past year, we took every opportunity to emphasise the importance of 'fresh, locally-grown, healthy vegetables to New Zealanders' health and wellbeing', adding that 'ensuring New Zealand has food security is why vegetable growers need a pathway for permitted activity'. HortNZ backed these calls.

Ultimately, we received public confirmation from the incoming coalition government that they would provide for permitted activity in their policy framework. Unfortunately, some regional authorities continue to pursue tighter rules that are not particularly workable.

We are also advocating for a national approach based on the foundation of New Zealand Good Agricultural Practice (NZGAP) and its Environmental Management System (EMS) add-on. We are working with HortNZ to ensure that our excellent industry programmes are recognised as ensuring that our growers are operating in a responsible manner, while providing healthy, nutritious food for consumers.

We will continue our high level of engagement with Members of Parliament and policy makers, as we nail down a national approach to permitted activity as the foundation for our industry's ongoing viability.



## GROWER ENGAGEMENT

One of the highlights of the past year has been our nine Vegetable Research Roadshows that were held across the country. We had very good interaction with our members, and got a wide range of feedback on our activities.

We want more engagement from our members. If you want to be involved in a committee, an advisory group, or to ultimately stand for the Vegetables NZ Board, please contact our team. If you want us to do something, tell us because if we don't know what our members need, we can't deliver it for them.



## THANK YOU

To close, I would like to thank our staff, led by Antony Heywood, along with Andrew Bristol, Daniel Sutton and Ellery Peters. You are all dedicated to making a real difference, and your effort and care for growers is appreciated.

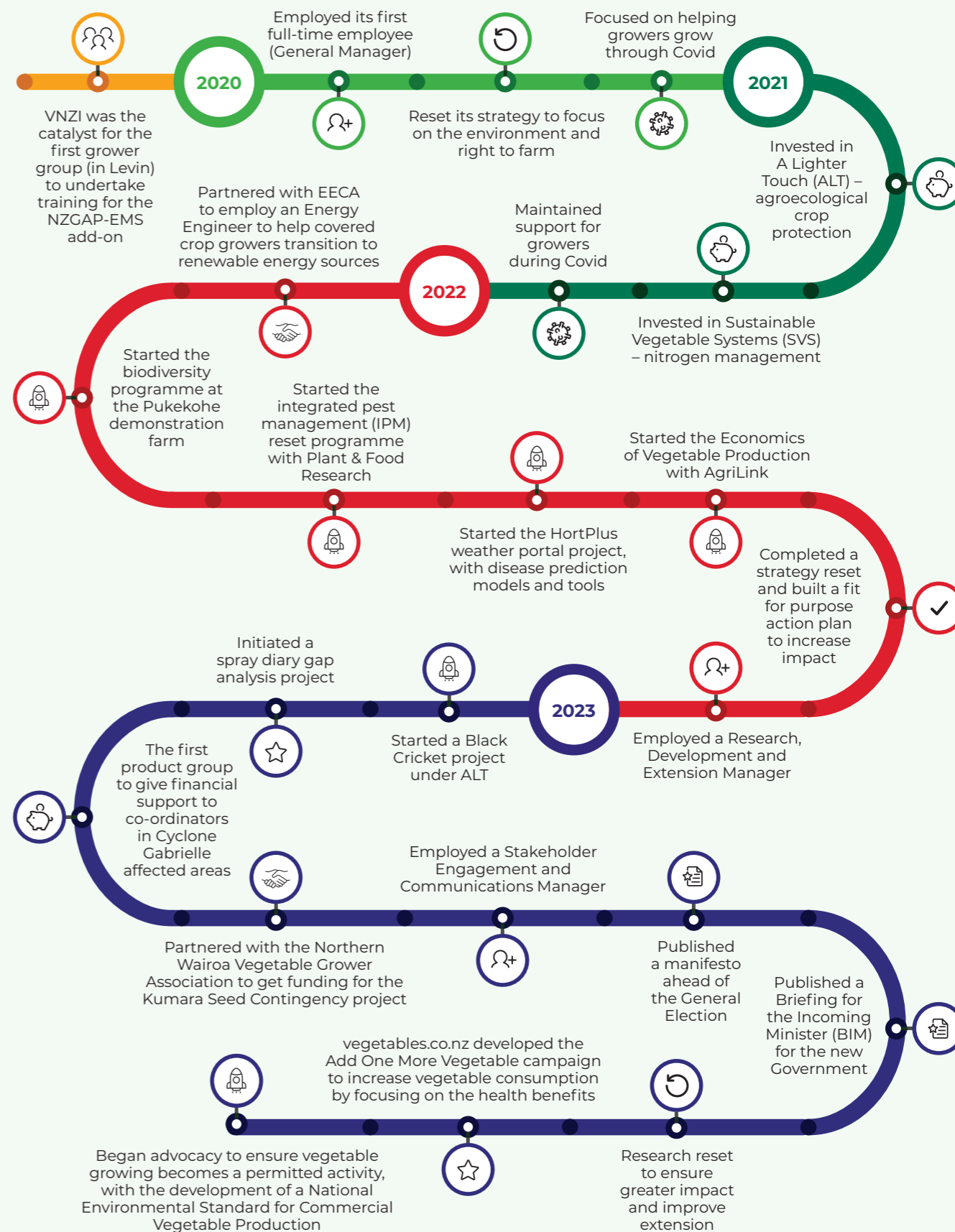
And lastly, I would like to thank all commercial vegetable growers for your financial support for Vegetables NZ industry activities, and for your continued supply of fresh, healthy vegetables for the good of all New Zealand.

**John Murphy**  
Chair, Vegetables New Zealand Incorporated

M: 027 458 4670  
E: john@garlic.co.nz



# OUR MILESTONES 2020-2023





# THE GENERAL MANAGER'S REPORT



## GETTING STUFF DONE

**Our focus for the 12 months to 31 March 2024 was to make a tangible difference for growers, through extension – application of the research and development growers fund via the levy – and advocacy.**

The Vegetables NZ Board has been right behind this focus, with the mantra of 'getting stuff done' ringing in my ears at every Board meeting.

Research, development and extension manager, Daniel Sutton joined Vegetables NZ in March 2023. He is based at the demonstration farm in Pukekohe, at the Plant & Food Research office in Pukekohe. He works closely with A Lighter Touch and Plant & Food Research, as well as the local growing community through the Pukekohe Vegetable Growers Association (PVGGA).



DANIEL SUTTON,  
RESEARCH, DEVELOPMENT & EXTENSION MANAGER

Daniel's chief objective is to ensure that Vegetables NZ's investment of grower levies in research and development results in advice to growers on how to improve practice, to increase yields and reduce environmental impact.

## HIGHLIGHTS



Integrated Pest Management workshops



Research and levy roadshows



Energy audits and advice to covered crop growers



Biosecurity



Engagement



Pathway for permitted activity



Manifesto and Briefing for Incoming Ministers

In conjunction with A Lighter Touch, Daniel has run two sets of Integrated Pest Management (IPM) workshops at the Pukekohe demonstration farm. The first set of workshops was on lettuce late last year, and the second set, on broccoli early this year. Both sets of workshops resulted in marketable product and showed growers how IPM can work in practice: in particular, the importance of monitoring and the use of biological controls in preference to agrichemicals.

## RESEARCH AND LEVY ROADSHOWS

In February 2024 Daniel kicked off the Vegetables NZ and Vegetable Research and Innovation (VR&I) first ever nationwide research roadshows. These roadshows were also an opportunity for Vegetables NZ, other vegetable product groups and HortNZ to talk with growers about the commodity levies, what value they provide, and the voting process.

## SUPPORT TO REDUCE ENERGY CONSUMPTION

Energy engineer project manager, Ellery Peters has also been with Vegetables NZ for more than a year. Ellery is focused on providing advice to covered crop growers on how to reduce their energy consumption and switch to more sustainable fuel sources. As of 31 March 2024, Ellery had also completed 10 energy audits for individual growers. Like Daniel, Ellery works across other vegetable product crops – particularly in his case, TomatoesNZ – to ensure grower levies are leveraged and advice is accessible.

## BIOSECURITY

Biosecurity is always a key concern for growers. To support vegetable growers as efficiently as possible, Vegetables NZ uses the expertise of Horticulture Executive Services Limited (HESL) Biosecurity Manager Anna Broxham to ensure government agencies understand our industry's requirements and vegetable growers have access to good advice and governance under GIA.

## ENGAGEMENT

In September 2023, Vegetables NZ was joined by Stakeholder engagement and communications manager, Andrew Bristol. Andrew's immediate focus was on engaging with the new government about the vegetable industry, and making it clear to new Ministers and their staff – through a Briefing for Incoming Ministers – what our industry needs to be successful and have a future.

The start of 2023 was marred by the impact of cyclones Gabrielle and Hale. For many months, Vegetables NZ worked with government officials, HortNZ and other vegetable product groups to help growers in Northland and the Hawke's Bay get back on their feet, as quickly as possible.

Vegetables NZ was the first product group to support grower coordinators for Northland kumara growers and Hawke's Bay growers. We also partnered with Northern Wairoa Vegetable Growers' Association to develop the Kumara Seed Contingency Plan. This plan secured funding of \$269,500 from the Ministry for Primary Industries to support growers to purchase seed for the next season.

# Biosecurity Commitments for 2023–2024

Vegetables NZ commitments	Readiness	Response
Priority Pest Review	Annual report of priority pests likely to affect the economic viability of Vegetables New Zealand members	
Active responses in the period		Black-grass Potato Spindle Tuber Viroid Fall Armyworm (FAW)
<b>Governance:</b>		
<ul style="list-style-type: none"> <li>• QFF OA</li> <li>• Deed Governance review</li> <li>• Biosecurity Act review</li> <li>• BMSB OA</li> </ul>	<p>Awareness campaigns – making growers and public more aware of the threat</p> <p>Novaluron use – ensuring knowledge and permissions are available to use this pesticide in NZ</p> <p>International research – learning what is happening overseas. Currently developing an MoU with Chile to undertake surveillance work and test our response tools</p> <p>Traps and lures – early detection projects including the use of aerodynamic traps</p> <p>Samurai Wasp studies – studies on how we could use this BMSB parasitoid wasp in the event of an incursion</p>	
<ul style="list-style-type: none"> <li>• Fruit fly</li> </ul>	<p>Combining lures in traps to catch multiple species of fruit fly</p> <p>Rapid aim traps – early detection traps that send a notification to check the trap when something lands in it</p> <p>Other flies project – to establish what other fruit fly responses would look like and create readiness plans around these</p>	
<ul style="list-style-type: none"> <li>• <i>Lepidoptera</i> Working Group</li> </ul>	<p>Stocktake of diagnostic capability at MPI labs</p> <p>Surveillance options – developing surveillance and trapping options</p> <p>Communications and engagement plan – working with stakeholders to get key messages out in the event of a response, and to help raise awareness for unwanted <i>Lepidoptera</i> species</p> <p>A storage plan for <i>Bacillus thuringiensis</i> var. <i>kurstaki</i> (Btk) stock, and ensuring aircraft are available in the event of an incursion</p>	
PepMV – long term management	Irrigation water research project Produce crate hygiene protocols for virus mitigation	
FAW – long term management plan	OA signed, activity plan is trapping and monitoring throughout NZ	
Solanaceae Working Group	Solanaceae OA for readiness Code of Practice for Covered Crop enterprises	

## PATHWAY TO BECOMING A PERMITTED ACTIVITY

When it comes to changing government policy, we work hand in glove with HortNZ. We have made it clear to government that the vegetable industry needs a pathway to become a permitted activity under new resource management legislation. We need this pathway if our industry is to contribute to New Zealand's food security, by growing fresh, healthy vegetables for New Zealanders at reasonable prices. We pointed out that importing fresh vegetables is not an option as well as the important role the vegetable industry plays in regional economies.

As we move further into the 2024-2025 financial year, our focus remains firmly on making a tangible difference for growers, through advocacy resulting in better central and local government policy settings; as well as practical extension activities, that bring research and development to commercial vegetable production. We will also step up how commercial vegetables are promoted, through the Add One More Vegetable promotion. The concept is to encourage the community to add one more serve of vegetables (75g) to their daily diet. The health benefits of doing this will increase the health of our population and reduce the cost burden on our health system.



CARBON ROBOTICS – LASER WEEDER IN A LETTUCE CROP

## Callaghan Innovation California Immersion Tour and Salinas Biological Summit – June 2023

Callaghan Innovation is a government agency that provides funding and scientific expertise, promotes research and development, facilitates collaboration between researchers, scientists and industry, and supports the commercialisation of ideas and products.

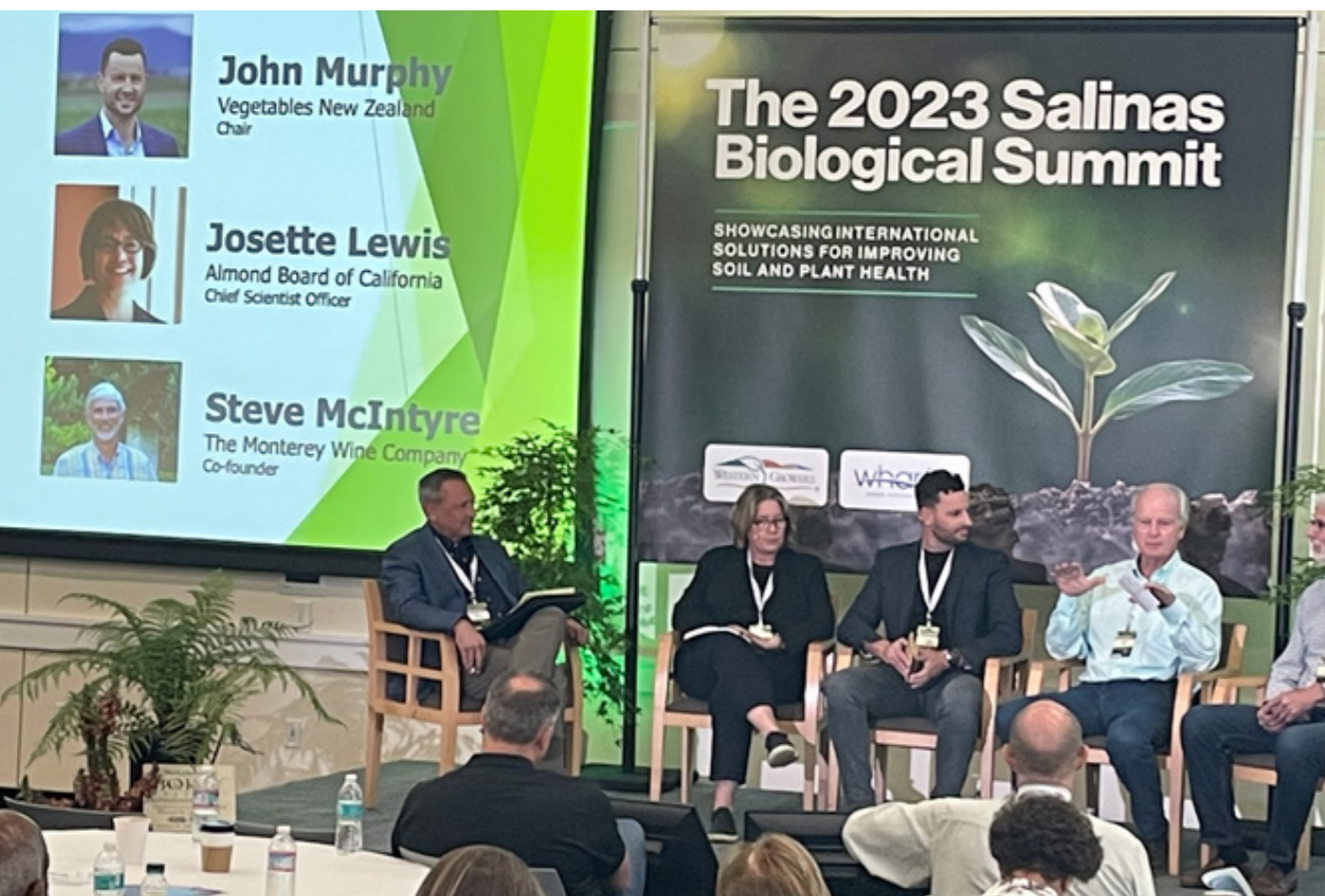
The objective of Callaghan's immersion tours is to connect New Zealand technology companies to potential overseas customers. The tour to California involved government (through Callaghan itself), research (Plant & Food Research, A Lighter Touch, Lincoln Agriscience), industry (Vegetables NZ), growers and innovators.

Some of the work the New Zealand fresh vegetable industry is undertaking through A Lighter Touch, the Sustainable Vegetable Systems (SVS) project, renewable energy, and assurance through NZGAP is also being undertaken in California. The objectives are similar in that the Californians are trying to sustain economic outcomes, while preserving soil health and the wider natural environment.

**As in New Zealand, resources are becoming scarce so the challenge for landholders is to preserve or enhance the natural value of land, for future generations.**

In the United States, Western Growers is proving technology like AI weeding, and how it fits into the growing system. The technology – when viable – will be trialled in New Zealand. This approach is win-win, because the grower does not have to invest in new technology until it is proven.





VEGETABLES NZ CHAIR, JOHN MURPHY (CENTRE) WAS PART OF AN INTERNATIONAL PANEL DISCUSSION ON IMPLEMENTING BIOLOGICALS INTO CURRENT SYSTEMS

### Salinas Biological Summit

Western Growers and the State of California gave this Summit real impact, contextualised by Marrone Bio Innovations founder, Dr Pam Marrone who said that the market size of biologicals could equal that for synthetic chemicals (US\$110b) in 20 years' time.

The Summit was a first for California and the world, with more than 50 local and international speakers. The United States has been developing biologicals for more than 30 years, and the United States Department of Agriculture (USDA) has a special authority to manage the registration process.

Furthermore, California has just passed regulation for a Sustainable Pest Management Roadmap. This roadmap is a holistic, integrated approach to pest management, which connects ecosystem health with community wellbeing for the control of pests. Biologicals sit at the heart of this system, which also aligns with the principles of A Lighter Touch.

**Antony Heywood**  
**General Manager,**  
**Vegetables New Zealand Incorporated**

M: 021 998 038

E: [antony.heywood@hortnz.co.nz](mailto:antony.heywood@hortnz.co.nz)

# Vegetables NZ Incorporated

## FINANCIAL REPORTS

FOR THE YEAR ENDED 31 MARCH 2024



## Statement of Financial Performance

For the year ended 31 March 2024

	Note	2024	2023
<b>REVENUE</b>		\$	\$
Levy Income	1	1,559,371	1,432,245
Biosecurity Levy	1	-	209,704
Interest	2	94,817	24,946
Other income		179,594	177,906
<b>Total Revenue</b>		<b>1,833,782</b>	<b>1,844,800</b>
<b>EXPENSES</b>			
Research & Development		410,869	712,379
Biosecurity		140,277	79,139
Meetings & Travel		248,209	256,243
Office and Communications		802,394	422,047
Audit Fees		11,269	7,210
Promotion		53,784	342,712
Surplus/(Loss) from Investment in Associate		8,425	-
<b>Total Expenses</b>		<b>1,675,227</b>	<b>1,819,730</b>
<b>Surplus/(Deficit) for the Year Before Tax</b>		<b>158,554</b>	<b>25,071</b>
Tax Expense	3	20,680	6,705
<b>Surplus/(Deficit) for the Year After Tax</b>		<b>137,874</b>	<b>18,366</b>

## Statement of Financial Position

As at 31 March 2024

	Note	2024	2023
<b>ASSETS</b>		\$	\$
<b>Current Assets</b>			
Bank accounts	4	1,086,234	873,153
Debtors and prepayments	5	258,534	446,447
Investments	6	1,404,177	1,200,000
<b>Total Current Assets</b>		<b>2,748,945</b>	<b>2,519,601</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	8,706	6,819
Investments in Associates	8	21,575	-
<b>Total Non-Current Assets</b>		<b>30,281</b>	<b>6,819</b>
<b>Total Assets</b>		<b>2,779,227</b>	<b>2,526,419</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses		226,948	238,401
Revenue in advance		241,470	120,000
GST Payable		39,618	34,703
<b>Total Current Liabilities</b>		<b>508,036</b>	<b>393,104</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>2,271,191</b>	<b>2,133,315</b>
<b>Accumulated Funds</b>			
Accumulated Funds	10	2,086,769	1,808,617
Biosecurity Reserve	11	184,421	324,698
<b>Total Accumulated Funds</b>		<b>2,271,191</b>	<b>2,133,315</b>



**JOHN MURPHY**  
Chair  
10 July 2024



**ALLEN LIM**  
Vice Chair  
10 July 2024

## Statement of Cash Flows

For the year ended 31 March 2024

	Actual 2024	Actual 2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was received from:</b>		
Levy Income	1,747,284	1,515,809
Other Income	160,787	177,906
Interest	94,817	24,946
GST (Paid)/Received	4,915	8,865
<b>Cash was applied to:</b>		
Payments to suppliers	1,558,657	1,814,158
<b>Net Cash Flows from Operating Activities</b>	<b>449,146</b>	<b>(86,632)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash was applied to:</b>		
Purchase of Investments	204,177	1,200,000
Investment in Associate	30,000	-
Purchase of Property, Plant and Equipment	1,888	7,216
<b>Net Cash Flows from Investing Activities</b>	<b>(236,065)</b>	<b>(1,207,216)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>213,081</b>	<b>(1,311,580)</b>
<b>Opening Cash</b>	<b>873,153</b>	<b>2,184,733</b>
<b>Closing Cash</b>	<b>1,086,234</b>	<b>873,153</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	<b>1,086,234</b>	<b>873,153</b>

## Statement of Accounting Policies

For the year ended 31 March 2024

### Basis of Preparation

Vegetables 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 prepare Special Purpose Financial Statements applying 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 Financial Reports are reported using the accrual basis of accounting. The Financial Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. The Financial Reports have been prepared to meet the needs of the members.

### Goods and Services Tax (GST)

Vegetables 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 in profit or loss 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

Vegetables New Zealand Inc has a memorandum of understanding with Horticulture New Zealand Inc to provide services of benefit to vegetable growers in New Zealand.

Funding is provided to Vegetables New Zealand Inc under the memorandum on the basis of being income in advance until the funds have been spent in accordance with the Vegetables New Zealand budget.

### Levy Revenue

Levies are non-exchange revenue and accounted for on an accrual basis. Revenue is recognised for produce sold in the year to 31 March for which a growers levy declaration has been received by the society.

### 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.

### Investment in Associate

Investments in associates are accounted for in accordance with the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the share of the surplus or deficit of the associate as at balance date.

### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

## Notes to the Performance Report

For the year ended 31 March 2024

<b>Note 1: Levy Income</b>	\$ This Year	\$ Last Year
Levy Income collected throughout the year	1,559,371	1,432,245
Biosecurity Levy Income collected throughout the year	-	209,704
	<u>1,559,371</u>	<u>1,641,949</u>

From 1 April 2019 Vegetables New Zealand Incorporated received funding through the Commodity Levies Fresh Vegetables Order 2019.

From 10 August 2020 to 31 March 2023 Vegetables New Zealand Incorporated received funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020. This levy was reduced to 0.0% from 1 April 2023 to 31 March 2024. From 31 March 2024 Vegetables New Zealand Incorporated will receive funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020.

<b>Note 2: Interest</b>	\$ This Year	\$ Last Year
BNZ	94,817	24,946

Interest is earned on deposits held with BNZ.

<b>Note 3: Taxation</b>	\$ This Year	\$ Last Year
Taxable Income	73,856	23,946
Tax is payable at 28%	20,680	6,705
less RWT Paid	(26,669)	(5,012)
Tax to pay/(refund)	<u>(5,989)</u>	<u>1,693</u>

<b>Note 4: Bank Accounts and Cash</b>	\$ This Year	\$ Last Year
BNZ Current Account	511,185	854,146
BNZ Autocall	575,049	19,007
	<u>1,086,234</u>	<u>873,153</u>

Interest is earned at 2.10% - 2.75% per annum in Business First Call Account.

<b>Note 5: Debtors and Prepayments</b>	\$ This Year	\$ Last Year
Trade Debtors	258,534	446,447

<b>Note 6: Investments</b>	\$ This Year	\$ Last Year
BNZ Term Deposit - 182 days - maturing April 2024	500,000	500,000
BNZ Term Deposit - 182 days - maturing July 2024	400,000	400,000
BNZ Term Deposit - 365 days - maturing Oct 2024	300,000	300,000
BNZ Term Deposit - 365 days - maturing March 2025	204,177	-
	<u>1,404,177</u>	<u>1,200,000</u>

Interest is earned at 6% - 6.1% per annum in Business First Call Account.

<b>Note 7: Property, Plant and Equipment</b>	\$ This Year	\$ Last Year
IT Equipment at cost	12,819	7,216
Less accumulated depreciation	4,113	397
Closing book value	<u>8,706</u>	<u>6,819</u>

<b>Note 8: Investments in Associates</b>	\$ This Year	\$ Last Year
Investments in Associate	30,000	-
Share of Profit/(Loss) in Associate	(8,425)	-
	<u>21,575</u>	<u>-</u>

On 6 December 2023, Vegetables New Zealand Incorporated invested \$30,000 in Horticulture Executive Services Limited, a management services company.

### Note 9: Related Party Transactions

#### Horticulture New Zealand Inc

Horticulture New Zealand Inc is a related party by virtue of sub-groups held within Horticulture New Zealand Inc. All elected Directors are growers and pay levies through the entities they are associated with.

Transactions Undertaken:	\$ This Year	\$ Last Year
Accounts Receivable Outstanding at Year End	5,194	4,842
Funding Provided to Vegetable Research & Innovation Board	82,053	178,955
Funding Provided to Vegetables.co.nz	-	300,000
Funding Provided to NZ Grower and The Orchardist magazines	27,350	21,000
Funding Provided to District Association Grant	2,925	6,645
Conference and Administrative Services Provided	71,457	63,994
Accounts Payable Outstanding at Year End	17,405	71,018

Allen Lim is on the NZGAP committee which operates under Horticulture New Zealand Inc and is a director of Horticulture Canterbury Growers Association. District Association grant funding of \$2,907 was contributed by Vegetables New Zealand to Horticulture Canterbury Growers Association in the 2024 financial year.

Warwick Simpson is on the board of Northern Wairoa Vegetable Growers Association. District Association grant funding of \$7,969 was contributed by Vegetables New Zealand to Northern Wairoa Vegetable Growers Association in the 2024 financial year.

John Murphy is the Chair of Vegetables.co.nz which operates under Horticulture New Zealand Inc.

Nick Pollock is on the board of Vegetables Research and Innovation which operate under Horticulture New Zealand Inc.

Kiran Hari and Brendon Balle are executive committee members of Pukekohe Vegetable Growers Association.

#### Horticulture Executive Services Limited

John Murphy is Chair of Vegetables New Zealand and a member of the Board of Horticulture Executive Services Limited (HESL). Tomatoes NZ, Vegetables NZ, Summerfruit NZ and Onions NZ invested \$30,000 each in HESL. There were no related party transactions in the 2024 financial year.

## Vegetables New Zealand Incorporated

### Note 10: Accumulated Funds

	\$ This Year	\$ Last Year
Opening Balance	1,808,617	1,607,593
Surplus/(Deficit)	137,874	18,366
Net Biosecurity income throughout the year	140,277	182,658
	2,086,769	1,808,617

### Note 11: Biosecurity Reserve

	\$ This Year	\$ Last Year
Biosecurity Reserve Opening Balance	324,698	142,040
Biosecurity levy income collected throughout the year	-	209,704
Biosecurity expenses paid throughout the year	(140,277)	(27,047)
	184,421	324,698

Vegetables New Zealand Incorporated (VNZI) represents the commercial vegetable sector under Part 5A of the Biosecurity Act 1993. Part 5A concerns agreements between government and industry organisations to deal with unwanted organisms, including agreements for jointly funding the costs of readiness and response activities.

VNZI receives funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020. VNZI must spend the levy money to meet its commitments in contributing to the costs of readiness and response activities under the Government Industry Agreement for Biosecurity and Response deed signed by VNZI on 18 November 2016 and any other operational agreement of the kind referred to in Part 5A of the Act that is made between the Director-General and Vegetables New Zealand Inc.

This levy was reduced to 0.0% from 1 April 2023 to 31 March 2024. From 1 April 2024 VNZI will receive funding through the Biosecurity (Readiness and Response - Fresh Vegetables Levy) Order 2020.

### Note 12: Commitments and Contingencies

#### Commitments

Vegetables New Zealand Inc signed a subcontract agreement in April 2020 for the 'A Lighter Touch' Sustainable Food and Fibre Futures project to contribute cash of \$262,791 and in-kind \$110,175 over the next 3 years.

Vegetables New Zealand Inc is committed to \$237,356 for a Vegetable IPM re-set. To date \$113,861 has been spent with a remaining \$123,495 committed.

Vegetables New Zealand Inc is committed to \$20,000 for a Biotremology Project with The New Zealand Institute for Plant and Food Research Limited. To date \$5,000 has been spent with a remaining \$15,000 committed.

There are no other commitments as at balance date (Last Year - nil).

#### Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil).

### Note 13: Events after Balance Sheet Date

Vegetables New Zealand Incorporated (VNZI) will take over the governance and ownership of both Vegetables.co.nz and New Zealand Asparagus Council in FY2025. The financial impact of this will be reflected in the financial statements as at 31 March 2025. These events do not impact the financial position or results as of the date of the balance sheet but are expected to have a positive impact on future operations. No other events requiring disclosure or adjustment to the financial statements have occurred. (Last Year - nil).

## INDEPENDENT AUDITOR'S REPORT

To the Members of Vegetables New Zealand Incorporated



### Opinion

We have audited the financial statements of Vegetables New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 31 March 2024, 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 2024 are prepared, in all material respects, in accordance with the accounting policies specified on page 19 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

### Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to page 19 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 19 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  
10 July 2024

## Entity information

Vegetables New Zealand Incorporated  
For the year ended 31 March 2024

#### Legal Name of Entity

Vegetables New Zealand Incorporated

#### Type of Entity and Legal Basis

Incorporated Society

#### Registration Number

2616693

#### Date of Incorporation

24 December 2014

#### Entity's Purpose

To represent the interests of all New Zealand fresh vegetable growers

#### Entity Structure

Incorporated Society

#### Main Sources of Entity's Cash and Resources

Revenue generated from levies

#### Main Methods Used by Entity to Raise Funds

Funded through a compulsory commodity levy on the fresh vegetables grown

#### 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.vegetablesnz.co.nz



## BUDGET 2024-2025

DESCRIPTION	BUDGET 2024-2025
<b>INCOME</b>	<b>INCOME \$</b>
Levy Income (Domestic & Export)	1,400,000
Levy GIA / Biosecurity	215,000
Income from ECCA & SLA	104,000
Interest	130,000
	<b>\$1,849,000</b>
<b>INDUSTRY RESEARCH &amp; DEVELOPMENT</b>	<b>EXPENSES \$</b>
VR&I Board Administration	56,000
VR&I Research Projects	145,000
A Lighter Touch	220,000
VNZI Research Projects & Proposals	182,244
GIA / MPI Biosecurity	44,000
GIA biosecurity response	98,000
All Consultancy - MAS, Training, Careers/labour	44,000
	<b>\$691,244</b>
<b>MEETINGS &amp; TRAVEL PG EXPENDITURE</b>	
Conference / VNZI AGM	37,500
Chair's Retainer	40,000
VNZI Board Meetings - Directors Daily Fee	72,000
VNZI Board Meetings - Travel & Expenses	24,000
All Other Meetings - Travel & Expenses	32,000
All Other Meetings - Daily Fees	19,800
Overseas Travel	15,500
Grower Visits	24,000
	<b>\$264,800</b>
<b>OFFICE &amp; COMMUNICATIONS</b>	
Office Overheads & Levy Collection	58,000
NZGrower Magazine Contribution	28,000
Printing & Stationary	1,000
General Expenses	18,000
Postages including mail outs	1,250
Photocopying	1,150
VNZI Staff salaries (incl HortNZ staff allocation)	609,960
District Association Grants	10,000
HESL	73,171
Telephone & Tolls	3,750
Motor vehicle	9,500
Legal / accounting / audit advice	7,000
VNZI Website	950
	<b>\$821,731</b>
<b>PROMOTIONS</b>	
Vegetables.co.nz contribution	300,000
Promotions/Sponsorships/Other	15,500
People capability and training	25,000
	<b>\$340,500</b>
<b>TOTAL EXPENSES</b>	<b>\$2,118,275</b>
<b>SURPLUS / DEFICIT</b>	<b>-\$269,275</b>

# What Vegetables NZ stands for



## **INNOVATION**

adaptive growing systems to build resilience



## **MANAGING OUR ENVIRONMENTAL IMPACT**

trust in New Zealand Good Agricultural Practice (NZGAP) schemes to manage environmental effects



## **OUR LABOUR**

a viable New Zealand labour force with a top-up of Recognised Seasonal Employer (RSE) workers for key times



## **OUR INPUTS**

inputs that count – land, water and nutrients



## **FOOD SECURITY**

access to healthy food at a reasonable price