



Evolving side by side.

Annual Report : 2021/22



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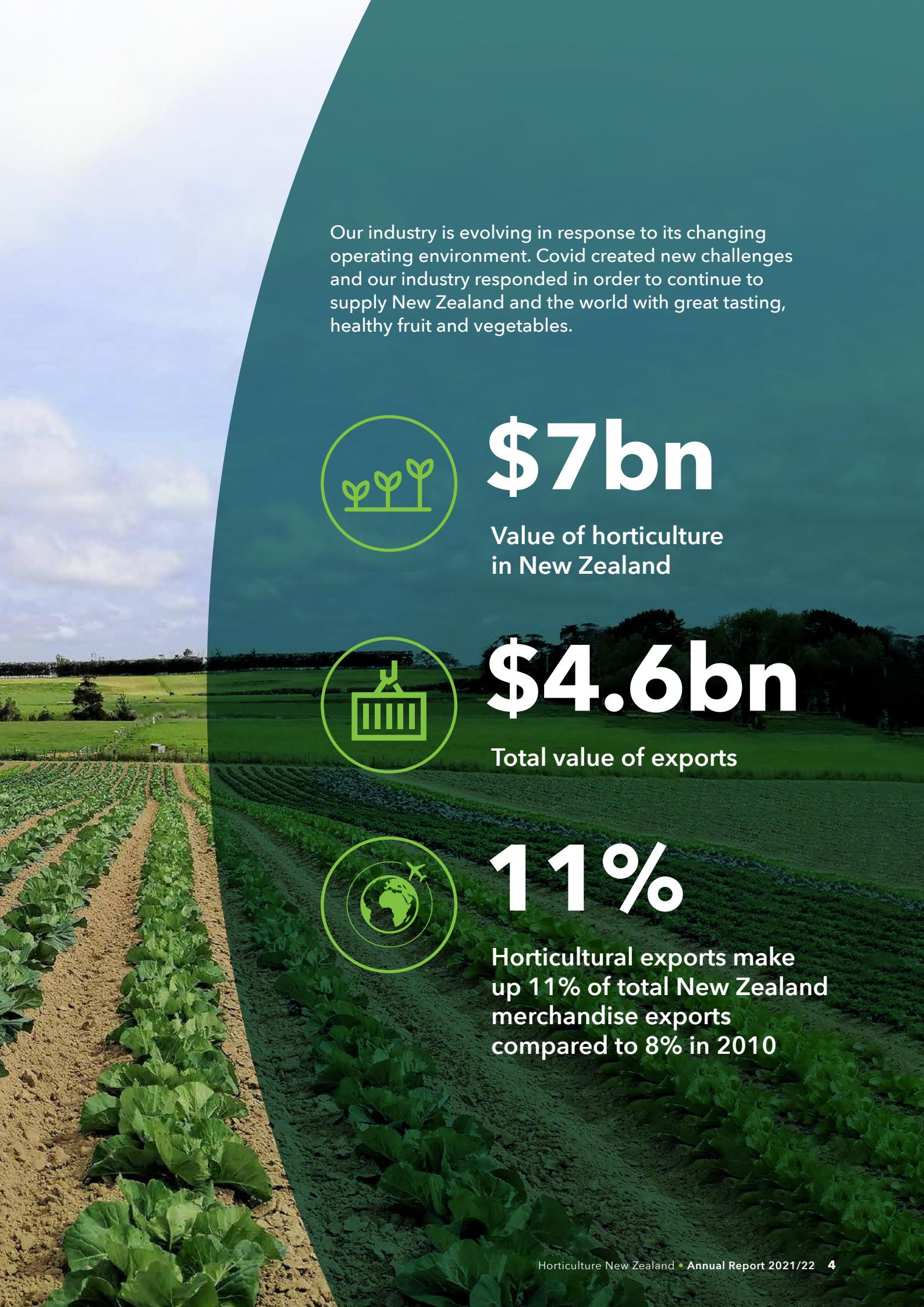


Welcome to Horticulture New Zealand's 2021/22 Annual Report.

The year to 31 March 2022 was once again challenging for the commercial fruit and vegetable growing industry, due to the impact of Covid on labour supply, logistics and towards the end of the year, costs. This report summarises our industry's experience in this challenging environment.

Evolving.





Our industry is evolving in response to its changing operating environment. Covid created new challenges and our industry responded in order to continue to supply New Zealand and the world with great tasting, healthy fruit and vegetables.



\$7bn

Value of horticulture
in New Zealand



\$4.6bn

Total value of exports



11%

Horticultural exports make up 11% of total New Zealand merchandise exports compared to 8% in 2010



Our industry's continued success is premised on the way in which all parts of it work together to advocate for an enduring environment where growers thrive. While the industry's focus in the past year has been on survival, we are now coming together to leverage future opportunities and find solutions to challenges such as climate change.



5500

Growers in New Zealand



40,000

People employed in the horticulture industry



2600+

People placed into training or employment through
Career Progression Manager programmes



Side by side.

Advocating for growers.

HortNZ has been through a transformation to ensure it is in a sustainable position to deliver for growers through its advocacy, policy, engagement and extension work.



83%

Growers say HortNZ is focused on issues that make a difference for them



3700

Good Agricultural Practice (GAP) certified growers

This comprises
1600 NZGAP growers and
2100 GLOBALG.A.P. growers



24

Written submissions to
central and local government

President's Report.

I thought things could not possibly get any worse last year but unfortunately, the very real challenges to how we grow in New Zealand have not only continued but increased.



This situation is partly the result of the lingering impact of Covid-19, which has disrupted our workforce and shipping, and several weather events that have affected growers across New Zealand, in some cases, multiple times.

But unfortunately during this difficult period, the government has continued its huge, rather disconnected change agenda, which has frustrated us all by not proposing to use existing assurance systems to achieve compliance requirements.

Horticulture New Zealand has continually lobbied for a pause. We have argued that there are too many moving parts, the combined implications of these changes are too large, and it is all happening too fast.

HortNZ has, in this environment, had to race to keep up in order to achieve good outcomes. Thanks to our chief executive Nadine Tunley and our very committed and dedicated staff, we have engaged on all the key issues to deliver the greatest benefit to our members, and in doing so I believe have added real value.

Whether it be labour and the Recognised Seasonal Employer (RSE) scheme, the supermarket duopoly, input cost increases, Resource Management Act reforms, He Waka Eke Noa and the Emissions Trading Scheme, protecting highly productive land, to the more recent and totally unnecessary income insurance scheme, HortNZ has advocated strongly for good grower and growing outcomes.

We have also tried very hard over the past 12 months to focus on opportunities and positives, along with support for grower wellbeing. Some might understandably struggle to be positive in this environment, but always out of disruptive change comes opportunities. In my opinion, it's pointless throwing rocks and complaining about what is happening if we can't put forward a better and more viable alternative.

One thing that has been very pleasing to see over the past 12 months has been the commitment across horticulture to work collaboratively together, something we have needed more of for some time. We are on the same team, we are without doubt stronger when we work together, and being as lean as we all are, we can't afford to be duplicating effort.

HortNZ has also been going through a period of transformation, led by Nadine, to ensure we are able to deliver our core functions to the highest standard, and for our staff to be working more sustainably. We are also working hard to be better connected to our product groups, district associations and growers, so that we can be even more effective with our advocacy in Wellington.

It has been a really hard year for all in the industry, with everyone having to muck in, with very little free time for families, so we didn't feel it was right to put a Horticulture Conference into this mix in 2022. We hope this is just a one-off, and look forward to having a conference again in 2023, and in Christchurch where it was to be this year.

“

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I appreciate and thank our Board for the commitment and energy they have brought to the governance of HortNZ during the year. It was great at the start of 2022 to have Brydon Nisbet, our second associate director, appointed to the Board as a grower director, along with the reappointment of Bernadine Guilleux, our vice president. Jamie Mountier, our 2021 associate director, finished his term in February 2022, and our thanks Jamie for your great contribution and all the very best for your future governance career. We have welcomed Emma Lees from AS Wilcox & Sons as our current associate director.

And more recently, Kathryn De Bruin and I were re-elected to the Board, unopposed. Our thanks to members for supporting us to have another three-year term working on your behalf.

I wish you all the best for the growing year ahead, hopefully a year with far fewer challenges!

Kia kaha

Barry O'Neil
President

Associate Director.

HortNZ's Associate Director initiative is now in its fourth year of operation. The initiative offers aspiring directors in the horticulture sector exposure to governance practices as well as mentoring opportunities.

Our first two associate directors have moved into governance roles in the sector. They have also joined our Board. The 2022 associate director is Emma Lees, who is strategic projects and sustainability manager at AS Wilcox & Sons.

Chief Executive's Report.

I started in my role as chief executive of HortNZ on 14 June 2021. A week or so after I started, HortNZ head office staff had to work from home because there were concerns about an outbreak of Covid-19 in Wellington.



This situation – having to make a quick decision, in response to Covid-19, to keep everyone safe as well as to get the work done – had a major impact on the whole financial year, for the horticulture industry as well as for the whole of New Zealand.

By mid-August, just after our successful Horticulture Conference at Mystery Creek near Hamilton, New Zealand was once again plunged into lockdown – a lockdown that lasted far longer for Auckland than any other part of the country.

There was a small reprieve over the Christmas and New Year period before the whole country went into the red traffic light level, at 11.59pm on 23 January 2022, due to the increasingly widespread community transmission of Omicron.

As a result, it is by no means an understatement to say that my first year as HortNZ chief executive has been heavily coloured by Covid-19, and the need to lead the organisation and industry through a response.

I have done that by focusing on relationships. That is, HortNZ's relationships with product groups and government ministers, and their ministries and departments. Since the start of Covid-19 in March 2020, HortNZ and product groups have come together to increase government's understanding of how the horticulture industry works so that government decisions support growers to continue to grow fresh, healthy food, as a 'critical' industry run by 'essential' workers.



Collaboration

What has stood out the most over the past year in particular is the collaboration that I have been part of or have seen across the horticulture sector, whether that be between product groups or groups of growers themselves.

Overall, the Ministry for Primary Industries (MPI) did a fantastic job supporting us as well as it could through the challenges of Covid-19 settings and border issues, keeping in mind that MPI was not the lead government agency for the Covid response.

That spirit of collaboration continues as growers experience one of the toughest seasons ever, due to labour shortages, less than ideal market conditions, increasing costs across the board, and relentless government reform across climate change, freshwater and labour.

The essence of growers and others in the horticulture sector continues to shine through. Everyone is digging in, being tenacious, and remaining determined to find ways forward. Overall, everyone in our industry should be incredibly proud of their contribution and the way in which we all pulled together to get through the year to 31 March 2022.

As the reporting period finished, media coverage about the rising cost of vegetables - as a component of the rising cost of living and high inflation - increased markedly. We pointed to the fact that grower returns have not increased for at least the past decade while costs have steadily increased, even more significantly as the country comes out of Covid.

We have endeavoured to use this media interest to draw the public and government's attention to our industry, and to several facts. Namely, that New Zealand's horticulture industry offers this government exactly what it wants. A way to increase food production and export returns while reducing the country's overall environmental impact.

Increasing HortNZ's capacity

In August 2021, I embarked on the transformation of HortNZ in response to the need to increase capacity so we could do more to support growers, in what will continue to be an intense and demanding time.

I have added capacity in terms of government policy review and development, and grower engagement and extension. This has been to increase HortNZ's ability to counter government policy that does not support growing through collaboration within the industry and the offer of alternative, more viable policy.

At the same time, I have increased the organisation's ability to run sustainably with more manageable workloads.

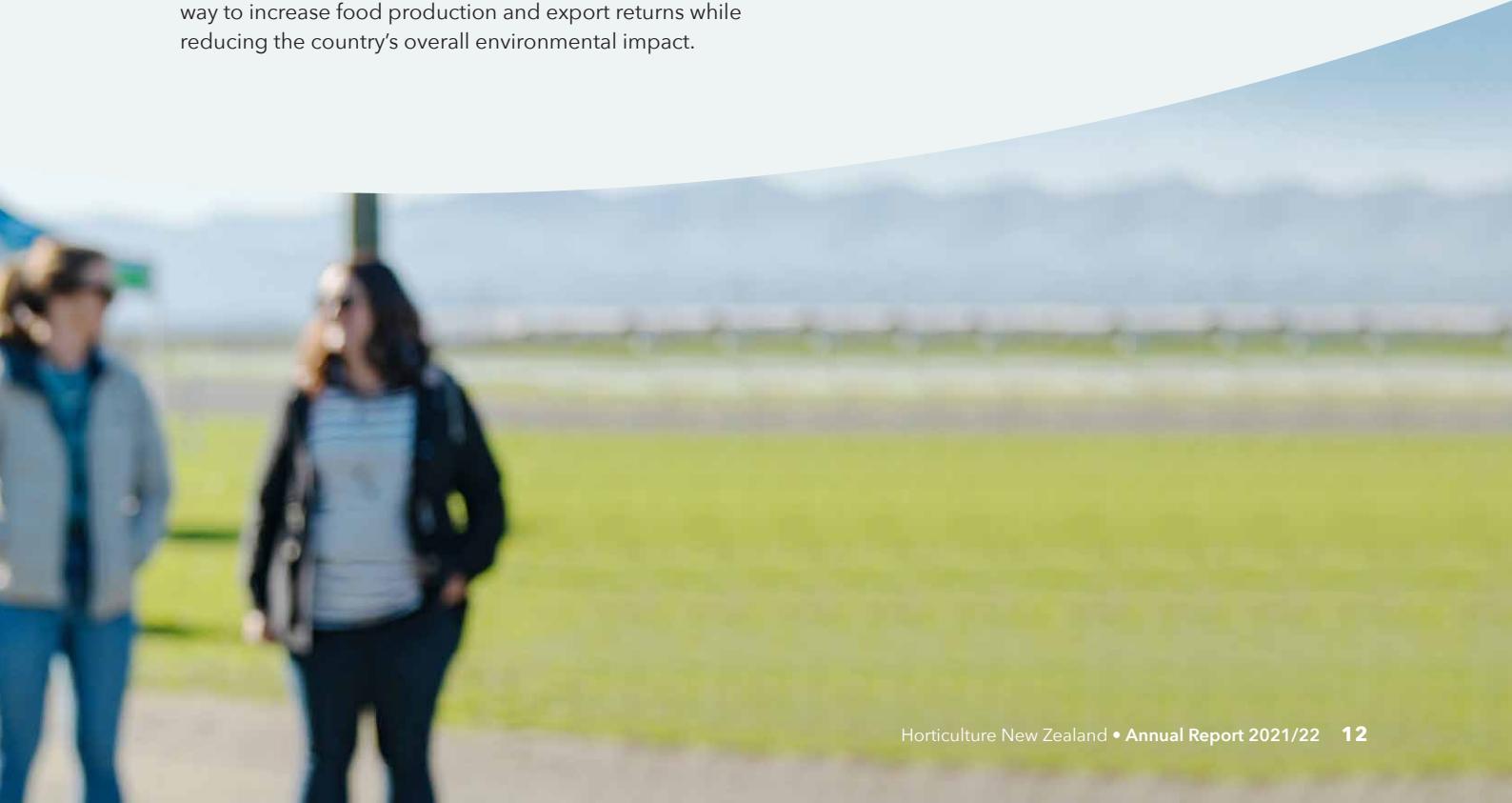
As an organisation, we have started the new reporting period with most of the new positions filled or with plans in place to staff the new functions.

I look forward to the coming year. No doubt it will continue to be challenging; however, as an organisation HortNZ is now well placed to enhance its continued support of growers so - to paraphrase our purpose - an enduring environment is created where growers thrive.

Ngā mihi



Nadine Tunley
Chief Executive



Growing the industry.

OUR VISION

Healthy food for all, forever
*Oranga kai, oranga tangata,
haere ake nei*

OUR PURPOSE

Creating an enduring
environment where
growers thrive

“

The annual grower survey
on HortNZ's performance
has been completed.
Highlights include that 80%
of respondents agree or
strongly agree that HortNZ
delivers on **value**.

OUR GOALS



Prosperity

New Zealand horticulture
is successful, thriving, and
made up of a community
that cares



Horticulture is valued

Because it is sustainable,
responsible, credible
and ethical



Collaboration

The horticulture sector works
together as an inclusive,
diverse and united industry



Agility

The horticulture sector
has the dexterity and
capability to succeed
now and in the future

HOW WE WORK

PRIORITY AREA

MEASURE



Valued Partnerships

With growers, product groups, district associations, the public and government

Building our relationship with Māori and other ethnic groups

Number of active partnerships between HortNZ and the Government: **More than 30**

Percentage of growers who

- i) respond to the annual survey: **9.3%**
- ii) rate HortNZ high or very high on the delivering value question: **80%**

Number of product groups that have work allocation agreements with HortNZ: **13**



Enabling horticulture

Seeking the best operating conditions for horticulture

Aligning and optimising compliance

Assisting growers to rapidly adapt to the changing growing environment

Growth in the horticulture sector by

- i) value: **\$0.14bn**
- ii) hectarage: **(To be updated after the 2022 Agricultural Production Census (Dec 2022))**



Advocacy

Generating strong support for growing

Evidence-based engagement on policy and regulation

Telling the New Zealand horticulture story

Pick up of HortNZ communications e.g. media releases: **243**

Number of invitations for HortNZ to participate in discussions at the early stages of policy/regulation development: **34**

Number of product groups represented by HortNZ in biosecurity meetings: **4**



People

Creating stronger career pathways and attracting talent

Supporting industry labour capability and skills needs

Celebrating success and diversity

Number of people applying for HortNZ scholarships and the HortNZ leadership course: **127**

Number of people placed into training or employment through Career Progression Manager programmes: **2600+**



Fit for the future

Expanding the strategic vision for horticulture

Assessing and signalling challenges and opportunities

Preparing the sector to face the challenges of emerging risks

Number of submissions made to central and regional government enabling growing in the future: **24**

Strongly connected to growers

Proactive engagement with Government

Support product groups and district associations

Pan-sector view

Evidence based

Future focused

Solutions oriented

Active public dialogue

Driving for efficiencies and collaboration

Caring for our people

PRIORITY 1

Valued Partnerships



Working side by side to ensure the industry's sustainability and success.

Working with product groups, businesses and government to enable growers to thrive.





Kiwifruit and avocado orchards in the Bay of Plenty.

The horticulture industry had worked successfully within the government’s different Covid-19 management approaches for two years, by the end of the reporting period on 31 March 2022.

Regular meetings between HortNZ, product groups and government officials – in particular, the Ministry for Primary Industries (MPI) – continued, becoming more frequent (daily) during lockdowns and the change to the red traffic light setting. These meetings were an opportunity to communicate with government officials about the realities of operating with Covid-19 in the community – particularly during the summerfruit, apple and kiwifruit harvests – as well as lobby for a more common-sense approach to Covid containment and, as time went on, management.

The meetings were also a place to spell out the impact on our industry of the severe labour shortage, exacerbated by the closing of borders and isolation requirements for Covid cases, close contacts and household contacts.

The industry continues to value the regular opportunity to engage in dialogue with government officials, particularly given the unrelenting pace of central government-initiated reform around climate change and emissions, land use, freshwater, compliance and labour.

In addition to its relationship with MPI, HortNZ maintains close relationships with the Ministry of Business, Innovation and Employment (which includes Immigration New Zealand) and the Ministry of Foreign Affairs and Trade, particularly to do with the Recognised Seasonal Employer (RSE) scheme; and WorkSafe and the Accident Compensation Corporation in the area of health and safety, and injury prevention.



Clyde Orchards staff operated as essential workers during the 2021 lockdown, wearing personal protective equipment (PPE) and implementing social distancing protocols. Image: Clare Toia-Bailey.

Biosecurity

Feeding into government consultations has been a big focus this year, with HortNZ lodging a number of submissions in the biosecurity space. Topics ranged from border levies to importation of plant germplasm, pathogen testing and the need to provide biosecurity information to passengers on their way to New Zealand. Biosecurity submissions were lodged with the Ministry for Primary Industries, Customs and the Primary Production Select Committee.

HortNZ has remained heavily involved in the Government Industry Agreement (GIA) framework alongside the other signatories from industry and the Crown. Readiness work continues under GIA, with collective efforts currently focused on fruit fly, brown marmorated stink bug, the plant pathogen *Xylella fastidiosa* and Lepidoptera (moths). HortNZ has participated in the pan-sector Plant Biosecurity Council, input into the GIA Deed review and continues to be involved in the Biosecurity Act Review process.

HortNZ has agreements in place to represent the Process Vegetables sector, Summerfruit NZ, Vegetables NZ Inc and TomatoesNZ at various biosecurity forums in order

to gain efficiencies. As part of capability building, HortNZ designed and delivered a biosecurity simulation for the Process Vegetables NZ board in conjunction with Biosecurity New Zealand.

Unfortunately, this year there have been two significant biosecurity detections, pepino mosaic virus, a pathogen that affects tomatoes, and the fall armyworm, a caterpillar that affects sweetcorn, maize and cereals. HortNZ has been involved in both responses as a GIA signatory on behalf of Process Vegetables growers.

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HortNZ delivers biosecurity services to several product groups and is heavily involved in the Government Industry Agreement (GIA) framework.



HortNZ endeavours to influence other players in the biosecurity system to ensure good biosecurity outcomes for growers. We work with scientists on their biosecurity research proposals when requested to ensure they meet industry needs. HortNZ has had input into the Plant Germplasm Import Council strategy that was released this year. We published an on-farm biosecurity series in *The Orchardist* and *NZGrower* magazines. The intention was to build awareness of the importance of good biosecurity practices in horticultural operations, and the content was based on HortNZ's 'preparing a farm biosecurity plan' guidance, which is available on our website. We have been involved in the operations of the Find-A-Pest app (an online tool that allows people to report the unusual) and have contributed to app improvements via our role on the steering group.

PRIORITY 2

Enabling Horticulture



Advocating for the optimal operating conditions for commercial fruit and vegetable growing

Focusing advocacy in the areas of labour, climate change, freshwater, land use and assurance.





The New Zealand onion industry is the largest vegetable export crop, generating more than \$140 million in export earnings for the 2021/2022 period.

Climate change

He Waka Eke Noa

HortNZ's submission on the discussion document that informed the government's Emissions Reduction Plan highlighted the role horticulture has to play in New Zealand's transition to a low emissions economy and how this can be enabled.

A number of the proposed policy changes would reduce greenhouse growers' ability to use fossil fuels, such as coal and natural gas, in process heat.

HortNZ highlighted the challenges these growers will face and the support the industry needs to transition, in submissions on proposed changes to industrial allocation in the Emissions Trading Scheme, and the proposed national direction to manage emissions from fossil fuel use in process heat.



FW-FP Regulations

expected to be released
at the end of 2022

Freshwater

During the past year HortNZ submitted on the consultation document on the Freshwater Farm Plan (FW-FP) regulations, which will determine what is required as part of a FW-FP, how these plans will be certified and audited, and how the requirements will be rolled out across the country.

HortNZ has been advocating for the ability to recognise Good Agricultural Practice (GAP) assurance frameworks (e.g. NZGAP, GLOBALG.A.P.) as a means of delivering certified FW-FPs for the horticulture sector.

FW-FP regulations are expected to be released at the end of 2022. HortNZ continues to participate in ongoing engagement in this area.

HortNZ has submitted on proposed changes to the National Environmental Standards for Sources of Human Drinking Water (NES-DW). These changes proposed stricter controls within defined source water risk management areas. We sought a pragmatic approach that takes into account the costs of additional regulation, compared with limited benefit over existing approaches.



Avocado exports earned more than \$200 million in revenue for the 2021/22 period.



JS Ewers has 12ha under glass and 220ha outdoors on the Waimea Plains.

RMA reform

The exposure draft of the Natural and Built Environments Bill – which will be the primary piece of legislation replacing the Resource Management Act – was released for consultation.

In its submission and ongoing advocacy, HortNZ raised the need to protect highly productive land for low emissions food production. This need was supported by the Select Committee in its recommendations for amending the Bill. The full Bill is expected to be released in 2022 for consultation.

Regional planning

In regional planning processes, HortNZ continues to advocate for outcomes that enable horticulture, particularly in the ongoing processes occurring in Northland, Waikato, Bay of Plenty, Hawke's Bay, Manawatu-Whanganui, Marlborough, Canterbury and Otago.

Decisions released this year include the following:

- The decision on Plan Change 7 to the Canterbury Land and Water Plan in November 2021 included a consenting pathway for commercial vegetable growing managed through baseline growing areas (and meeting nitrogen loss rates for expansion), along with policy recognising the need for crop rotation and the importance for domestic food supply.
- An Environment Court decision on agrichemical rules in Northland in October 2021 removed unworkable setbacks that HortNZ appealed, in favour of setbacks or requirements more aligned with industry best practice (NZS 8409).

HortNZ continues to engage with regional councils to support development of robust science that accurately reflects our sector, as these councils start work to meet central government freshwater requirements in their planning frameworks by 2024. That is the deadline for notifying plans or plan changes that give effect to the National Policy Statement for Freshwater Management 2020.

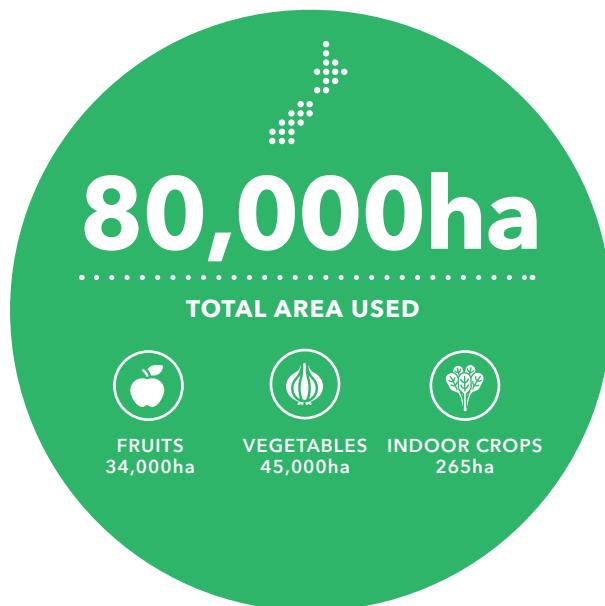


Ivan Miller is proud to be a seasonal cherry picker for CentralPac's 2021 harvest.

Land use

HortNZ continues to call for greater recognition of highly productive land at a central government policy level: we are still awaiting the outcomes of the government's 2019 consultation on a proposed National Policy Statement for Highly Productive Land.

We have continued our work in the district planning space, advocating for rules that effectively and efficiently enable and manage horticultural activities and structures. This work includes involvement in several district plan processes, and spatial planning and growth consultations around the country.



Outreach

Farm Environment Plans and Freshwater Farm Plans

HortNZ, with Vegetables NZ, continued to offer Farm Environment Plan workshops to vegetable growers using the Environment Management System (EMS) add-on, available to all GAP growers. Workshops continued in Pukekohe in July 2021, and in Northland in July and August 2021.

HortNZ piloted a new generation of Farm Environment Plans with fruit and vegetable growers in the Waimea Plains in Tasman, called Freshwater Farm Plans (FW-FPs). HortNZ has worked with local horticulture advisors to support growers to use the EMS add-on to cover most requirements, and HortNZ has also piloted a new element of farm planning called the 'catchment context', which is expected as part of the new national FW-FP regulations.

The outcomes from use of the EMS for FW-FPs depend on the key water quality and quantities issues in the catchment; for example, on the Waimea Plains these are nitrates in groundwater and irrigation management, so growers will need to show how they are prioritising nitrogen and irrigation management in their FW-FP. HortNZ has also worked with Tasman District Council to agree on the modelling of horticulture systems, and the catchment water quality science, ahead of its 2024 plan change.



Grace Tabite, a student at Horowhenua College, on a vegetable planter during a horticulture experience day at Woodhaven Gardens.

He Waka Eke Noa

In 2021 and 2022, HortNZ hosted grower engagement events on the proposed He Waka Eke Noa partnership's design of a pricing system for agricultural emissions from 2025.

The first round, in November-December 2021, included a combination of in-person meetings in Hawke's Bay, Pukekohe and Otago, online meetings, and a survey which received 130 responses from growers.

HortNZ also wrote newsletter and magazine articles to raise awareness and promote grower events. Engagement continued through December to March 2022, and HortNZ called 170 growers with more than 80 hectares to assist them with their annual emissions calculation and to discuss the He Waka Eke Noa proposed design.

In February and March 2022, HortNZ hosted additional grower meetings online (in-person meetings were avoided due to Covid-19), advertised events and information on the He Waka Eke Noa proposals through the HortNZ newsletter and magazines, and received a further 37 grower responses to the survey.

All feedback was sent to He Waka Eke Noa to inform the partnership's recommendation to Ministers on 31 May 2022.

Labour

Once again, labour was the biggest challenge facing growers in the 2021/22 financial year, with limited and tightly controlled movement of people across New Zealand's border and Covid-19 requiring isolation of cases, close contacts and, in later months, household contacts.

As an industry, we are grateful to all those people who devote their working lives to our industry to ensure that New Zealand and the rest of the world has access to some of the world's best fruit and vegetables.

RSE scheme

A border exception issued by the government enabled the continued movement of workers from the Pacific during the pandemic under the Recognised Seasonal Employer (RSE) scheme. Obtaining the exception was a significant achievement, and distinguished horticulture and wine-grapes from all other sectors in New Zealand.

Such a favourable outcome was achieved due to the industry collective's close working relationship with Immigration New Zealand's Policy and Operations divisions, the Ministry of Social Development (MSD), the Ministry of Foreign Affairs and Trade (MFAT) Pacific Division and through the industry collective's fortnightly meetings with the Minister of Immigration. The industry collective is made up of the chief executives of NZ Apples & Pears Inc, NZ Kiwifruit Growers Inc, Summerfruit NZ, NZ Winegrowers, NZ Ethical Employers Inc, and HortNZ.





A mix of Working Holiday Visa holders and New Zealand employees picking apples on a platform on Willisbrook Orchards.

The plan was to have 13,000 RSE workers in New Zealand by 31 March 2022, which would have been 2500 more RSE workers in the country than in March 2019 (pre-Covid). However, government restrictions due to the Omicron outbreak in New Zealand and then in Tonga, Vanuatu and Samoa, reduced the ability to move RSE workers to New Zealand.

A key aspect of the New Zealand government's border exception was the commitment of the Pacific countries to the repatriation of their RSE workers in New Zealand, who had been in this country since 2020. Only Tonga, Vanuatu and Samoa made this commitment, though MFAT is negotiating with the other Pacific nations who send workers to New Zealand to open their borders to two-way movement. These negotiations will ultimately result in a return to two-way travel for all Pacific countries involved in the RSE scheme later in 2023.

Government support

The support, in particular of Immigration New Zealand, resulted in many Omicron challenges being overcome with the result being that by 31 March 2022, there were 11,711 RSE workers in New Zealand. The Ministry of Health and MFAT's Pacific Division also gave significant assistance, without which the movement of these workers would not have been possible.

During the reporting period, the government increased the RSE cap - for the number of workers permitted in New Zealand - from 14,400 to 16,000. This was to allow an increased number of RSE workers to come to New Zealand to help meet the seasonal labour shortfall created by the lack of backpackers due to our country's borders effectively being closed.



Jordan Carroll won the 2021 Central Otago Young Grower.

Under the border exception, flight assignments were made by the industry collective through an operations group established to undertake the assignments and arrange the flights. The operations group was supported by World Travellers Motueka, who arranged the flights and undertook the ticketing. Their support was critical to the successful movement of workers through their flight arrangements and coordination with Air Vanuatu and Air New Zealand.

The border exception was granted by the government on the basis that RSE employers committed to the following additional conditions on top of the usual requirements that RSE employers must satisfy:



Paying RSE workers \$22.10 for a minimum of 30 hours each week for the whole time the workers are in New Zealand



Having labour inspectorate approved worker accommodation that meets the WorkSafe Standard for the workers employers requested



Having MSD sign off for the workers employers requested



These extra requirements were in addition to meeting more than half the airfare costs, as well as Covid-19 testing and visa processing charges. As a result, RSE employers had difficult decisions to make. Committing to bring workers into New Zealand – when repatriation back to the Pacific was uncertain – could have resulted in workers staying in New Zealand for longer than there was seasonal work for them. As a result, an employer could have been required to continue to pay RSE workers and find work for them once the employer's seasonal work requirements had been met.

In February 2022, the New Zealand government started to open the national border, which included allowing in backpackers. The reopening will in time enable all the RSE workers in New Zealand to return to their home countries, and for the RSE scheme to return to business as usual in the way it operated pre-Covid-19.

Backpacker situation

Before Covid-19, at the height of the summer there would be approximately 45,000 backpackers touring around New Zealand, happy to find work picking or packing fruit. This summer that number was estimated at about 5000.



This situation – combined with a sharp drop in RSE numbers and low unemployment across New Zealand – made the harvest one of the most stressful on record, particularly as fruit quality and volumes were good.

The summerfruit, apple and kiwifruit industries all ran attraction and retention campaigns, albeit further ramped up from last season, and with reported success. The Ministry for Primary Industries also continued its Opportunity Grows Here careers campaign, which referred interested New Zealanders to the different industry groups.

Recognition of Good Agricultural Practice (GAP) schemes

HortNZ has consistently advocated with government for recognition of GAP schemes as pathways for growers to develop integrated farm plans for food safety, social practice, He Waka Eke Noa and Freshwater Farm Plans. Considerable resources have been dedicated to working with the government and councils to develop their understanding of the GAP schemes and what they can deliver for regulators and certified growers alike, while also pushing back on unnecessary regulations where GAP schemes are already delivering the desired outcomes.

The ultimate strength of GAP schemes is that they are independently audited. Because they integrate requirements across multiple areas, one audit can deliver numerous outcomes for growers. GAP standards are developed based on user friendly horticulture guidelines and codes of practice, so growers do not need to rely on expensive consultants to help develop their farm plans.



The NZ GLOBALG.A.P. National Technical Working Group (NTWG) is focused this year on establishing the New Zealand Interpretation Guidelines for the new GLOBALG.A.P. Integrated Farm Assurance version 6 standard, which will apply across the horticulture industry, and the new GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) version 2 standard. The development of these interpretation guidelines will consider New Zealand regulations in areas where there is overlap with GLOBALG.A.P. and GRASP, including Food Act, Social Practice and Farm Planning regulations to mitigate duplication of requirements where possible.

The GLOBALG.A.P. version 6 and GRASP version 2 standards are required to be implemented in 2023, so the working group will also be focusing on guidelines to support growers and auditors to implement these new standards in New Zealand. The working group is hosted by HortNZ and the members are Zespri, NZGAP, NZ Apples & Pears, NZ Avocado, Seeka, AsureQuality, SGS NZ, Onions NZ and Potatoes NZ.

HortNZ is also the owner of the NZGAP scheme, which is governed by a sub-committee of the HortNZ Board, but is managed and funded independently (see the NZGAP annual activity report for more information). The new GLOBALG.A.P. standard means that the NZGAP GLOBALG.A.P. equivalent will need to be reviewed and re-benchmarked to GLOBALG.A.P. in 2023. The many current and upcoming regulatory changes mean that NZGAP's food safety, environment and social practice standards will also be reviewed over the coming year.

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Considerable resources have been dedicated to working with the government and councils to develop their understanding of the GAP schemes.

GAP schemes are futureproofing horticulture for the new age of consumer scrutiny, where people want to have absolute confidence and trust in the healthy food they are purchasing.

Food safety

This year HortNZ has advocated for an industry-led approach to monitoring programmes (e.g. spray residues) via the Plant Market Access Council and Fresh Produce Export Assurance working group. HortNZ has lodged submissions in the food safety space, including on the Food Standards Australia New Zealand (FSANZ) consultation regarding food safety for berries, melons and leafy vegetables, and on the Review of the Food Standards Australia New Zealand Act 1991.

HortNZ has participated in the Food and Beverage Forum and has been an active member of the New Zealand Food Safety and Science Research Centre Emerging Risk Identification System through our participation in the Industry Advisory Group and Horticulture Taskforce. HortNZ has helped to facilitate discussions between retailers, researchers, product groups and growers on developing food safety guidelines for melon growers.

PRIORITY 3

Advocacy



**Using
evidence-based
arguments to
generate support
for growing.**

Telling the horticulture in New Zealand story to government and consumers.



HortNZ engages constantly with central government on policy proposals that affect horticulture, either directly or indirectly.

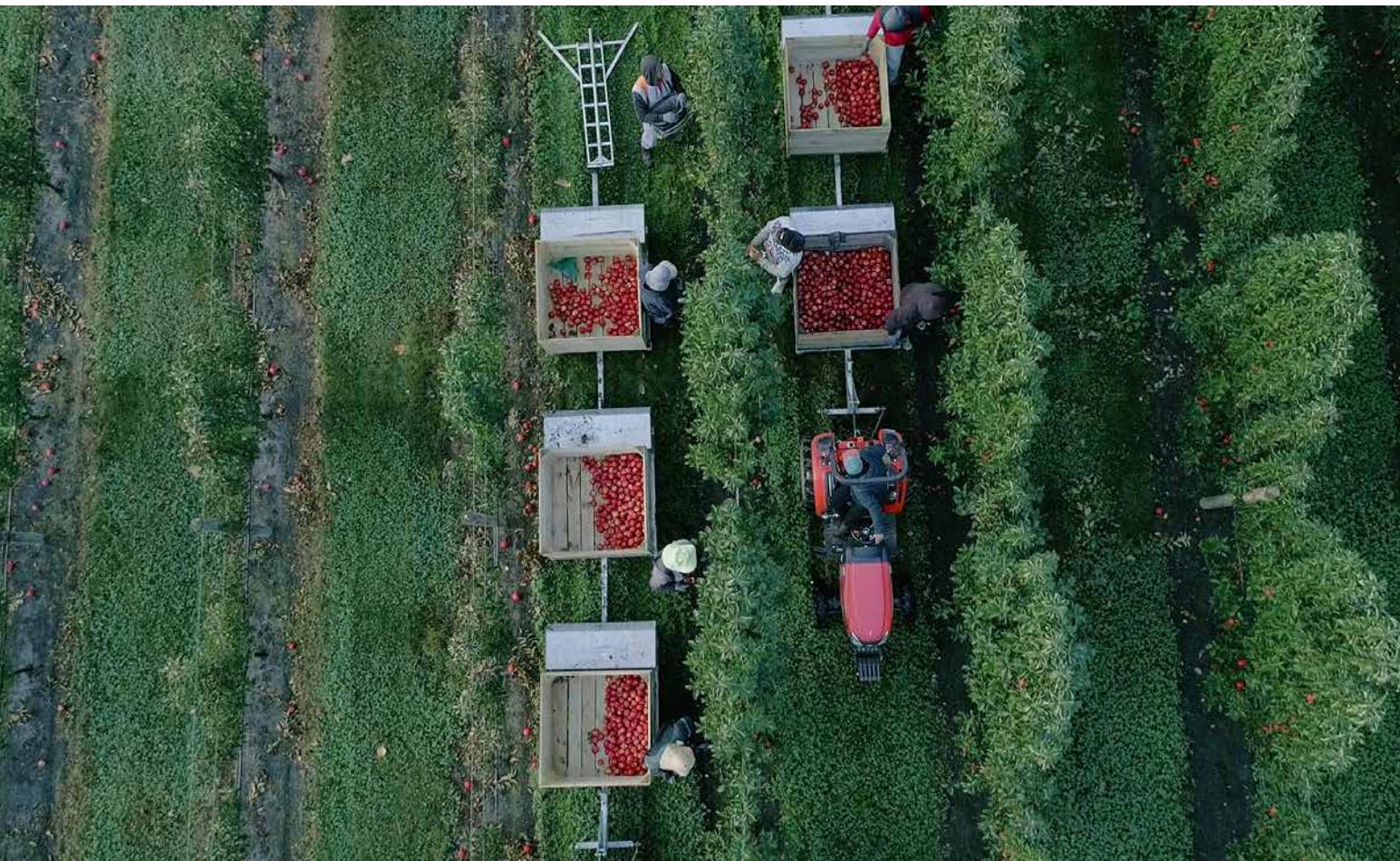
In spite of the impact of Covid-19, central government chose to only briefly stop the flow of consultations and requests for input and feedback on policy proposals, many of which are to have a fundamental impact on New Zealand's food and fibre sector.

Similarly, regional and local government plan changes continued, with many of these taking several years to work through the required process.

Major submissions made and policy developments monitored included:

- Immigration (Covid-19 Response) Amendment Bill (*April 2021*)
- 2021-2031 Long Term Plan Consultation Document and Rate Remission (Gisborne District Council) (*April 2021*)
- Inquiry into the Future of the Workforce Needs in the Primary Industries of New Zealand (*May 2021*)
- Submission on Draft Regulatory Impact Statement - FSANZ Act 1991 Review (*May 2021*)
- Incorporated Societies Bill (*May 2021*)
- Inquiry into Congestion Pricing in Auckland (*May 2021*)
- Submission on Phasing out use of fossil fuels in process heat (*May 2021*)
- Proposals for regulating organic businesses in the primary sector (*June 2021*)
- Inquiry on the Natural and Built Environments Bill (Exposure Draft) (*August 2021*)
- Commerce Commission Retail Market Study (*August 2021*)
- Review of industrial allocation in the New Zealand ETS (*September 2021*)
- Environmental Protection Authority's call for information on Glyphosate (*September 2021*)
- Freshwater farm plan regulations (*October 2021*)
- Intensive Winter Grazing regulations: Proposed changes (*October 2021*)
- Managing our wetlands proposals to amend regulations (*October 2021*)
- Emissions Reduction Plan Discussion Document (Te hau mārohi ki anamata Transitioning to a low-emissions and climate-resilient future) (*November 2021*)
- He Waka Eke Noa Engagement Feedback and Insights (*December 2021*)
- Te kawe i te haepapa para - Proposals for a new waste strategy and legislation (*December 2021*)
- Submission on improving the protection of drinking-water sources (*March 2022*)
- Submission on Proposed Waimakariri District Plan (*November 2021*)
- Submission on Proposed Otago Regional Policy Statement (*September 2021*)
- Submission on Central Hawke's Bay Proposed District Plan (*August 2021*)
- Submission on Bay of Plenty Proposed Plan Change 5 Kaituna River (*August 2021*)
- Submission on updated Future Proof Strategy (*November 2021*)

Note: This excludes submissions on draft plan changes, and further submissions etc. to be consistent with how we have categorised them in the past.



No picking buckets are required at Hawke's Bay-based Taylor Corporation. Instead, fruit goes straight into harvest bins.

Enhancing communications

Throughout the lockdowns and red traffic light setting, HortNZ provided growers and others in the industry with timely, plain English interpretations of what the government had announced and the advice that government officials were giving. Our Covid-19 updates were emailed to nearly 6,000 recipients and were repeated on our website.

Grower feedback on our efforts was overwhelmingly positive. We were also available by phone and email for specific queries. Growers certainly appreciated that service.

We have continued to enhance our communications to growers, others in the industry, central and local government, the media and the public.

We published 35 media releases in the year to 31 March 2022. Along with the weekly HortNZ newsletter, these releases generated 243 articles or requests for comment.

Key topics included the cost of vegetable production, the RSE scheme and immigration, labour shortages and initiatives like GoHort, the Young Grower of the Year competition, the Commerce Commission supermarket inquiry, and use of highly productive land.

35

MEDIA
RELEASES
PUBLISHED...

243

...GENERATED
ARTICLES OR
REQUESTS FOR
COMMENT



43

Radio New Zealand items broadcast specifically about HortNZ and the industry, due to magazine articles and other promotion

Radio New Zealand is the number one news outlet, mostly through the Rural News segment, with 43 items broadcast specifically about HortNZ and the industry. We continue to try and cultivate relationships with other news outlets, however, high staff turnover in those outlets, the pressure of deadlines and lack of time they have to fully understand horticulture are handbrakes on progress.

The Orchardist and *NZGrower* were not published in September 2021 due to the lockdown. Grower feedback on the magazines – their content and layout – is positive and they continue to be well supported by advertisers. We have increased readership of magazine articles by repeating some of them in the weekly HortNZ newsletter and on the HortNZ website. Through this promotion, the media also sometimes pick up on stories and do their own. For example, a Radio New Zealand story on the summerfruit harvest broadcast in January 2022.



PRIORITY 4

People



**Attracting
and retaining
passionate
people to meet
the industry's
current and future
labour needs.**

Developing career pathways and providing employment for a wide range of New Zealanders.





Agriculture Minister Damien O'Connor spoke at the 2021 Horticulture Conference.

The Horticulture Conference 2021

The theme of the Horticulture Conference 2021 was Resilience and Recovery, which reflected the mood of an industry still dealing with the impact and uncertainty associated with Covid-19.

The conference was again held at Mystery Creek, near Hamilton. It took place on 5 and 6 August 2021 and attracted a record number of more than 700 delegates, up by at least 100 on the previous conference, which was held in 2019.

The sessions on our future workforce – particularly the young people's perspective – were well received, as were the sessions and workshops on mental health. Growers also welcomed the opportunity to get together face-to-face. It was extremely fortunate that the 2021 conference was held in early August, before the country went into lockdown again on 17 August 2021.

Conference highlights included:



Climate change
from an international perspective
(Lord Deben) and a New Zealand
perspective (Rod Carr)



**What is happening
with the government's
freshwater reforms**



**What really goes on
in Parliament and
the Beehive**



**Where future workers
will come from**



**Ways to boost the industry's
resilience and recovery**



**Practical ways to
increase wellbeing**



Horticulture New Zealand Industry Awards

Bledisloe Cup

Horticulture's Bledisloe Cup celebrates a person who has made an outstanding and meritorious contribution to the New Zealand horticulture industry.

The cup for 2021 was won by the previous chief executive of HortNZ, Mike Chapman. Swapping his legal-focused work for kiwifruit, Mike took up the role of Kiwifruit New Zealand chief executive in 2002, New Zealand Kiwifruit Growers Incorporated chief executive in 2005 and ten years later, he picked up the reigns as HortNZ chief executive, a position he held until June 2021.

Mike is a leader, advocate and lobbyist, but perhaps most of all, an enthusiast for the industry. He is also a good person to have in a crisis. As Mike himself says, quoting Dwight D Eisenhower, "in preparing for battle, I have always found that plans are useless, but planning is indispensable."

Environmental Award

The Environmental Award, which recognises a person or organisation that has developed and implemented a sustainable environmental project with identifiable benefits, was won by Emma, Jay and John Clarke of Woodhaven Gardens, situated near Levin in the Horowhenua.

Woodhaven Gardens is a family run commercial growing operation that has invested significantly in reducing its environmental impact, adopting a science-led approach that balances conservation with commercial success.

They are leaders in research for the vegetable industry – contributing time, money and land in order to measure and provide evidence. They are driving change in environmental sustainability, and have shifted production areas to reduce nitrogen loss and minimise impact on water quality.

President's Trophy

The President's Trophy is awarded to a person showing promise in business and horticulture industry leadership. This trophy recognises an individual's passion for working on behalf of New Zealand's horticulture industry, as well as a commitment to developing themselves as a business leader and successful grower.

Kylie Faulkner – who says she was born to vegetable growing – was the winner of the President's Trophy for 2021. Twelve years ago, Kylie returned to the family business believing that to be successful, growers always need to be smarter about the way they grow.

Kylie was elected as the first woman president of the Pukekohe Vegetable Growers Association in 2019. In this role, she has strenuously advocated for growers in the areas of land use, the environment and labour. During Auckland's lockdowns, Kylie helped to ensure that Pukekohe growers could continue to pick, pack and transport their produce to New Zealanders around the country.



Life Membership awards

Life Membership of HortNZ is awarded to people who have provided distinguished and honourable service to the organisation and industry for at least 10 years.

Life membership was bestowed on two industry stalwarts in 2021.

Leon Stallard has made an enormous contribution to the apple and pear industry for more than 20 years. Leon became President of the Hawke's Bay Fruitgrowers' Association in 2005 and in this role, established the Young Grower of the Year Competition as a national event.

Leon was elected to the HortNZ Board in 2014 and served until 2020. During this time, he played a key role in ensuring that the horticulture industry commanded the respect it deserves, so that government officials take the unique characteristics of horticulture into account in their decisions.

Lex Dillion also received a Life Membership Award. Lex served on the TomatoesNZ Board for more than 20 years. He was heavily involved in the introduction of plastic crate pooling and also played market development roles in the returnable packing industry.



Industry Service awards

Industry Service awards are for people who have provided long-standing and significant service to the New Zealand horticulture industry. Three people received these awards in 2021.

Brent Mathieson is described as a "totally committed and loyal servant to the New Zealand horticulture industry." Brent started his horticulture career in 1979. He has focused on seed, in particular, sweetcorn and dwarf bean varieties for processing, but as Brent has neared retirement he has worked with outdoor crops such as cauliflower, onions, broccoli, lettuce and carrots.

Tim Jones was chair of Summerfruit NZ for five years. He has been chief executive of 45 South Management for more than 20 years and is passionate about summerfruit, willingly sharing his knowledge and expertise, and advocating for the industry locally and nationally. During Covid-19 Tim focused on labour and ensuring summerfruit could get to export markets, despite ongoing freight issues.

David Watts, known to many of you in the industry, was presented with his award by HortNZ president, Barry O'Neil at the Katikati Fruitgrowers Association AGM in March 2022. David is chair of this association and editor of their Fruitnews newsletter. The AGM was an opportunity to acknowledge David's multi-decade contribution to horticulture and his individual style.

John, Jay and Emma Clarke of Woodhaven Gardens who won the Environmental Award.



Young Grower of the Year for 2021

The Young Grower of the Year, run by Horticulture New Zealand, is an annual competition comprising regional finals in major fruit and vegetable growing areas and a national final.

The competition is to encourage young people to take up a career in horticulture as well as celebrating the success of young people in the industry.

Melissa van den Heuvel, an avocado grower services representative at Apata Group Limited in the Bay of Plenty, won the Young Grower of the Year for 2021. The national final was held at the Lower Hutt Events Centre on 20 and 21 October 2021, following Alert Level 2 health and safety protocols.

2021's Young Grower of the Year finalists were:

1. **Jonathan Bates**, Nelson
2. **Bryce Morrison**, Bay of Plenty
3. **Jordan Carroll**, Central Otago.
4. **Melissa Bennett (née van den Heuvel) (winner)**, Bay of Plenty (2020, but rest of competition cancelled due to Covid-19)
5. **Jamie McIntyre**, Gisborne
6. **Regan Judd**, Hawke's Bay
7. **Heather Feetham**, Pukekohe (not pictured)

"I am very proud to be in this industry. It is something I am very passionate about. What we produce is very top notch," said Melissa. "It was great to be part of this competition and get to know my fellow competitors. We would all like to thank the sponsors and HortNZ for giving us this opportunity."



Central Otago career progression manager Chelsea Donnelly with Charlie Shaw, who did a summer internship with Strode Road Orchards in Earnscleugh, Alexandra.

Career Progression Managers

The network of regionally based Career Progression Managers (CPMs) was expanded in 2021/22, with the addition of new team members in Pukekohe and Canterbury. The new CPMs have been successful in working with employers, workers, potential employees and students to attract more New Zealanders into long-term horticultural work. Nationwide, the network of CPMs has increased the number of people pursuing careers in horticulture, helping to address skills shortages in the industry.

Due to Covid-19, career promotion temporarily moved online rather than the normal face-to-face interaction. The CPM team adapted to the challenge, promoting the industry by presenting at online conferences, running Zoom meetings with schools and tertiary groups, and participating in online careers expos.

The achievements of the CPMs are summarised here:



Horticulture Youth Leaders Forum

The inaugural Horticulture Youth Leaders Forum was run by the Career Progression Managers as part of the Horticulture Conference in August 2021. More than 70 young leaders comprising students, young growers and young professionals took part in a series of workshops to generate ideas to solve the industry's labour attraction and retention challenge.

Many of the ideas suggested were already workstreams within the CPM network, with others to become future initiatives. The forum proved to be a great networking opportunity for the young leaders, with many reporting that attending the forum and conference had given them a new perspective and inspired them to pursue further opportunities in the industry.



Then HortNZ people capability manager Emma Boase was awarded the Lincoln University Emerging Leaders Award at the 2021 Primary Industries Summit and Awards. The award was for her efforts in attracting new talent into the horticulture sector.



More than 70 young leaders comprising students, young growers and young professionals took part in the inaugural Horticulture Youth Leaders Forum.

PickNZ job board

HortNZ developed and released the PickNZ job board for growers to list seasonal work vacancies. After collecting grower feedback from the 2020/21 season, a collective decision was made by HortNZ, NZ Apples & Pears, NZ Kiwifruit Growers Inc, and Summerfruit NZ to develop a fit-for-purpose job board as an extension of the already popular PickNZ website. The new job board was developed specifically to fulfil employers' need to find seasonal workers and to assist with redeployment of RSE workers. The Ministry for Primary Industries Opportunity Grows Here attraction campaign directs interested people to the PickNZ job board.

Since the site was stood up in September 2021, the job board has been used to advertise more than 33,400 seasonal roles, generating an average of 100,000 views per month.

	Views	Users	Sessions
PickNZ Home	85,020	37,559	51,716
PickNZ Job Board	622,309	75,998	123,383

1 September 2021 - 1 April 2022

PickNZ per region

1 September 2021 - 1 April 2022



PickNZ per product group

1 September 2021 - 1 April 2022





Winner of the 2021 Young Grower of the Year,
Melissa Bennett (née van den Heuvel).



Sofia was part of CentralPac's dedicated team of cherry pickers.

Women in Horticulture

Women in Horticulture has been piloting the Connection Programme, designed and delivered by Loshni Manikam (Thriving Farming Women), to give regional group leaders the support they need to set up and run successful women's groups.

Four regional groups in Bay of Plenty, Gisborne, Hawke's Bay and Otago will complete the year-long programme by developing a vision, goals and 12-month plan for how they will value, support and empower women in horticulture in their particular region.

While Covid-19 has delayed plans, the aim is to have a one-day in-person workshop in each region, followed by 12 monthly Zoom training meetings for the leaders of each regional group. Participants will be connected via a closed Facebook group so they can support each other and learn from others.

Like-minded women coming together to learn and grow is powerful, which is why the Women in Horticulture initiative is focused on supporting regional group leaders to get the training and support they need to continue to make this happen.

Over the past year, many more stories about amazing women working in horticulture have been published in *The Orchardist* and *NZGrower*. These stories can also be read on the Women in Horticulture website:
<https://women-in-hort.co.nz/women-in-horticulture>.

Health and Safety

People are our industry's biggest asset and we all want to ensure they go home safe and healthy at the end of each day. In July 2021, HortNZ was successful in securing an Accident Compensation Corporation (ACC) Injury Prevention Grant to better understand and to reduce harm across the horticulture sector.

This project was launched in November 2021, to build system capability and establish health and safety leadership through four key project steps:
Understand > Intervene > Support > Lead.

An essential component of this research is engagement with industry, ensuring any harm reduction efforts are developed based on the sector's knowledge and successes, and reflect how business works within horticulture in New Zealand.

The project takes a systems thinking approach, which focuses on company arrangements, work pressures, procedures, regulations etc., in addition to what individual workers are doing. We are still focusing on protecting individuals, but sharing the health and safety responsibility across the system.



Reuben Dodds was the 2021 recipient of the HortNZ Postgraduate Scholarship.

While still in the early stages, the project has made good progress against the first step, 'Understand', working closely with ACC, WorkSafe and industry participants to gain a clearer understanding of the harm data currently available.

It has been positive to see some good collaborations happening out in the regions with local Health and Safety Forums working to improve health and safety for their regions and sectors. HortNZ also continues to be involved in the New Zealand Horticulture Health and Safety Council (HHSC).

The HHSC and HortNZ representatives played a pivotal role in facilitating engagement with the horticulture sector for the 2021 Farmstrong study on wellbeing in the horticulture and viticulture sectors. While the study highlighted some of the wellbeing challenges faced by the industry, it was also positive to see that there was a high level of interest among growers to learn more about ways to improve their wellbeing.

HortNZ will continue to develop partnerships to support our growers to keep themselves and their teams safe and well at work.

HortNZ Leadership Programme

Due to Covid-19 HortNZ postponed the 2021 HortNZ Leadership Programme. Those who were successful in being selected for 2021 have been re-invited to make up the 2022 programme starting at the end of August 2022.

HortNZ Scholarships

A review of the HortNZ scholarship process in September 2021 resulted in an increase in the number of awards offered for both industry trainees and undergraduates, and a change in promotion strategy. The number of industry trainee scholarships on offer increased by 10 (from 20 to 30) with the top three awardees given conference awards. Undergraduate scholarships changed from a cash award to a horticulture conference package with scholarships offered, and the timing of awards was shifted to better fit the academic calendar.

Scholarship applications increased during 2021 thanks to improved promotion on social media. Promotion was done in-house under the GoHort umbrella, resulting in 53 industry trainee, 52 undergraduate and 22 postgraduate applications. Thirty industry trainee scholarships, 13 HortNZ undergraduate scholarships and one HortNZ postgraduate scholarship were awarded.

Our People.

HortNZ Board



Barry O'Neil
President



Bernadine Guilleux
Vice-President and Director



Dr Bruce Campbell
Director



Brydon Nisbet
Director



Hugh Ritchie
Director



Kate Trufitt
Director



Kathryn de Bruin
Director



Murray Denyer
Director



Tony Howey
Director



Emma Lees
Associate Director

HortNZ Management Team



Nadine Tunley
Chief Executive



Kerry Norman
Executive Assistant
to Chief Executive



Michelle Sands
Strategy and
Policy Manager



Kate Longman
Engagement and
Extension Manager



Bobby Hall
Finance Manager



Ashleigh Duncan
People, Culture and
Wellbeing Manager



Damien Farrelly
NZGAP Manager



Emily Lake
Data, Systems and
Insights Manager

HortNZ staff at the
Horticulture Conference
in August 2021.



Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
31 MARCH 2022

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Approval of Financial Report.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

The Directors are pleased to present the approved financial report including the historical financial statements of Horticulture New Zealand Incorporated for the year ended 31 March 2022.

APPROVED



Barry O'Neil
HortNZ President

30th June 2022



Tony Howey
HortNZ Chair of Audit & Risk Committee

30th June 2022

Statement of Revenue and Expense.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNT	NOTES	2022	2021
Revenue			
Horticulture NZ – Core Activity		9,163,353	7,940,523
New Zealand GAP		949,810	977,808
Vegetable Research & Innovation Board		253,544	308,136
Vegetables.co.nz		330,141	338,066
Process Vegetables NZ		576,018	612,620
SFFF - A Lighter Touch	20	1,634,658	1,085,072
Total Revenue	21	12,907,525	11,262,224
Expenses			
Horticulture NZ – Core Activity		8,266,059	6,780,144
New Zealand GAP		903,999	912,225
Vegetable Research & Innovation Board		317,698	295,762
Vegetables.co.nz		296,136	255,127
Process Vegetables NZ		458,065	424,028
Tomatoes NZ	5	-	4,790
Vegetables NZ	5	-	418,606
SFFF - A Lighter Touch	21	1,340,481	731,522
Total Expenses	21	11,582,437	9,822,204
Surplus/(Deficit) for the Year		1,325,088	1,440,020
Tax Expense	9	30,534	18,691
Surplus/(Deficit) for the Year after Tax		1,294,554	1,421,329

This statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Net Assets.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

2022 ACCUMULATED FUNDS	NOTES	OPENING BALANCE	SURPLUS/ (DEFICIT)	MOVEMENTS IN RESERVES	CLOSING BALANCE
Horticulture NZ	21	4,116,495	866,761	(100,000)	4,883,257
New Zealand GAP		555,243	45,811		601,054
Vegetable Research & Innovation Board		456,254	(64,153)		392,100
Vegetables.co.nz		569,220	34,005		603,225
Process Vegetables NZ	21	546,397	117,953	(17,597)	646,753
SFFF - A Lighter Touch	21	473,787	294,177	117,597	885,561
Total Accumulated Funds		6,717,396	1,294,554	-	8,011,950

2021 ACCUMULATED FUNDS	NOTES	OPENING BALANCE	SURPLUS/ (DEFICIT)	MOVEMENTS IN RESERVES	CLOSING BALANCE
Horticulture NZ		3,074,806	1,141,689	(100,000)	4,116,495
New Zealand GAP		489,661	65,582		555,243
Vegetable Research & Innovation Board		443,880	12,374		456,254
Vegetables.co.nz		486,281	82,939		569,220
Process Vegetables NZ		378,043	188,592	(20,237)	546,397
Tomatoes NZ		4,790	(4,790)		-
Vegetables NZ		418,606	(418,606)		-
SFFF - A Lighter Touch		-	353,550	120,237	473,787
Total Accumulated Funds		5,296,066	1,421,328	-	6,717,396

This statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position.

HORTICULTURE NEW ZEALAND INCORPORATED
AS AT 31 MARCH 2022

ACCOUNT	NOTES	2022	2021
Assets			
Current Assets			
Bank Accounts and Cash	7	3,270,898	3,104,381
Prepayments		176,396	140,314
Sundry Debtors		2,973,320	2,438,793
Investments	8	4,151,744	2,900,000
Provision for Tax	9	1,197	16,190
Total Current Assets		10,573,556	8,599,679
Non-Current Assets			
Property, Plant and Equipment	10	132,016	101,280
Intangible Assets	11	72,465	69,298
Total Non-Current Assets		204,481	170,578
Total Assets		10,778,037	8,770,257
Liabilities			
Current Liabilities			
Creditors and Accrued Expenditure	12	1,856,116	1,494,547
Income in Advance	13	909,971	558,313
Total Current Liabilities		2,766,087	2,052,860
Total Liabilities		2,766,087	2,052,860
Total Assets less Total Liabilities (Net Assets)		8,011,950	6,717,397
Accumulated Funds			
Accumulated Surpluses and Deficits		8,011,950	6,717,397
Total Accumulated Funds		8,011,950	6,717,397



HortNZ President
30th June 2022



HortNZ Chair of Audit & Risk Committee
30th June 2022

This statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNT	NOTES	2022	2021
Cash Flows From Operating Activities			
Cash was received from:			
Fees and Other Income		12,318,606	10,897,578
Interest Income		33,301	59,379
		12,351,907	10,956,957
Cash was applied to:			
Payments to Suppliers and Employees		10,795,659	9,057,408
Net Cash Flows from Operating Activities		1,556,248	1,899,550
Cash Flows From Investing Activities			
Cash was received from:			
Decrease in Investments		-	-
Cash was applied to:			
Fixed Asset Purchases		89,388	75,867
Intangible Purchases		48,600	74,310
Increase in Investments		1,251,743	56,469
Net Cash Flows from Investing Activities		(1,389,731)	(206,646)
Net Increase/(Decrease) in Cash		166,517	1,692,905
Opening Cash		3,104,381	1,411,476
Closing Cash		3,270,898	3,104,381
This is represented by:			
Bank & Cash	7	3,270,898	3,104,381

This statement is to be read in conjunction with the Notes to the Financial Statements.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

1 Reporting Entity

Horticulture New Zealand Inc ('the Society') is a society registered in New Zealand under the Incorporated Societies Act 1908.

The industry association represents New Zealand's 5500 commercial fruit and vegetable growers.

The Society is funded by a commodity levy on the sale of commercially grown fruit and vegetables.

The organisation is governed by a Board of nine directors made up of two appointed independent directors and seven elected grower directors. Additionally there is one appointed non-voting future director.

The financial statements are for the Society and its wholly owned subsidiary Horticulture New Zealand Limited.

2 Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity International Public Sector Accounting Standard applying the Reduced Disclosure Regime ("PBE IPSAS RDR"), as appropriate for Tier 2 not-for-profit public benefit entities.

The board considers the basis to be appropriate for the users of the financial statements.

The Society has complied with the PBE IPSAS RDR in all material respects. The Accounting Policies that have been applied with respect to the preparation of financial statements are set out below.

The financial statements were authorised for issue in accordance with a resolution dated 28 June 2022.

(b) Measurement Basis

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Society, except as explained in Note 4, which addresses changes in accounting policies.

(a) Presentation of Statement of Revenue and Expense and Statement of Changes in Net Assets

Both the statement of revenue and expenses and statement of changes in net assets are presented on a by function basis categorised by the product groups that exist within the Society. Transactions that occur between product groups are disclosed as transfers within the statement of changes in net assets.

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Horticulture New Zealand Inc and the revenue can be reliably measured. Revenue is measured at fair value of consideration received.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED FOR THE YEAR ENDED 31 MARCH 2022

The following specific revenue streams are recognised:

(i) NZ GAP Fees

Annual Fees for NZGAP is non-exchange revenue and accounted for on an accrual basis.

(ii) Levies

Levies are non-exchange revenue and accounted for on an accrual basis when the growers' declaration is received.

(iii) Orchardist and Grower Subscriptions

Subscription income is exchange revenue and recognised as earned by reference to the actual subscription period. Membership subscription received in relation to the following financial year is carried as a liability (income in advance).

(iv) Grant Income and Project Funding

Grant and Project Funding income is non-exchange revenue and recognised as revenue when associated obligations have been met.

(v) Event Income

Income from events that Horticulture New Zealand has organised is exchange revenue and recognised once the event has occurred.

(vi) Administration Service Income

Horticulture New Zealand provides administration services to external product groups. This is exchange revenue and invoiced on a monthly basis.

(c) Finance Income and Finance Costs

Interest income is exchange revenue and recognised using the effective interest rate method.

(d) Financial Instruments

Financial Instruments carried on the statement of financial position include cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(i) Bank Accounts

Bank accounts and cash comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

(ii) Investments

Cash held on term deposits are with high quality financial institution trading banks and is repayable on demand. There are no other interest bearing assets or liabilities.

(iii) Accounts Receivable

Accounts Receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

(iv) Creditors and Accrued Expenditure

Creditors and accrued expenditure includes amounts owing to suppliers and employees. Expenditure is accrued at the amount invoiced.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

(v) Income Tax

Income Tax is accounted for by the tax payable method.

(vi) Goods and Services Tax

The statement of revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(e) Property, Plant and Equipment

The cost of purchased property, plant and equipment is the consideration value given to acquire the assets and to get them to the location and condition necessary for their intended service.

(i) Depreciation

Depreciation is provided on Plant and Equipment. Depreciation is calculated on either a diminishing value or a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

Office Equipment and Furniture	8.5% - 80% Straight Line or Diminishing Value
Leasehold Improvements	12.5% Straight Line

(f) Intangible Assets

Intangible assets are initially measured at cost. All of the Society's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment.

The Society has no intangible assets with indefinite lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

Intangible Assets	10.5% - 50% Straight Line
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(g) Leases

Leases in terms of which the Society assumes substantially all the risks and rewards of ownership are classified as finance leases. Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Society's statement of financial position.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

4 Changes in Accounting Policies

There have been no changes in accounting policies.

5 Vegetables New Zealand and Tomatoes New Zealand Funding

There were no funds held on behalf of Vegetables New Zealand and Tomatoes New Zealand to be paid out during this financial year.

6 Allocation of Interest

Interest income, less the associated provision for taxation, is allocated to each product group within Horticulture New Zealand Inc, based on their average accumulated funds over the preceding 12 months.

	2022	2021
7 Cash and Bank		
BNZ Direct Levy Account	750,947	465,705
BNZ Autocall Account	248,438	247,954
BNZ Current Account	2,233,742	2,355,532
Investment Bank Accounts	37,772	35,190
Total Cash and Bank	3,270,898	3,104,380

	2022	2021
8 Investments		
Term Investment - BNZ	1,000,000	-
Term Investment - ANZ Bank	750,000	750,000
Term Investment - ASB	1,001,744	1,000,000
Term Investment - Kiwibank	400,000	400,000
Term Investment - Rabobank	1,000,000	750,000
Total Investments	4,151,744	2,900,000

Interest rates on investments were 0.80% - 2.80% (2021: 0.80% - 2.50%)

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
9 Income Tax		
Current Year Earnings	1,279,671	1,440,020
Tax at 28%	358,308	403,206
Adjustments to Income Tax		
Tax on Non Assessable Income	(2,944,702)	(2,703,232)
Tax on Non Deductible Expenditure	2,617,208	2,318,997
Total Tax Effect of Adjustments	(327,494)	(384,235)
Tax Payable before losses brought forward	30,814	18,971
Use of losses brought forward	-	-
Tax credit for Non-Profit Bodies	(280)	(280)
Tax Expense for the Period	30,534	18,691
Current Tax Liability/(Asset) Opening Balance	(16,190)	(6,616)
Tax Expense for the Period	30,534	18,691
RWT	(11,731)	(22,881)
Tax Refunds Received	(3,810)	(5,384)
Tax Payable/(Refund)	(1,197)	(16,190)

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

10	Property, Plant and Equipment	OFFICE EQUIPMENT	LEASEHOLD AND FURNITURE IMPROVEMENTS	TOTAL	
Cost of Valuation					
Balance as at 1 April 2021					
		240,039	252,950	492,989	
Additions		89,388	-	89,388	
Disposals		-	-	-	
Balance as at 31 March 2022		329,427	252,950	582,377	
Accumulated Depreciation and Impairment					
Balance as at 1 April 2021					
		138,759	252,950	391,709	
Depreciation		58,652	-	58,652	
Disposals		-	-	-	
Balance as at 31 March 2022		197,411	252,950	450,361	
Net Book Value					
As at 1 April 2020		62,003	-	62,003	
As at 31 March 2021		101,280	-	101,280	
As at 31 March 2022		132,016		132,016	

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible Assets		SOFTWARE	INTANGIBLE ASSETS	TOTAL
Cost of Valuation				
Balance as at 1 April 2021		280,616	9,826	290,442
Additions		48,600	-	48,600
Disposals		-	-	-
Balance as at 31 March 2022		329,216	9,826	339,042
Accumulated Depreciation and Impairment				
Balance as at 1 April 2021		216,214	4,930	221,144
Depreciation		44,451	983	45,433
Disposals		-	-	-
Balance as at 31 March 2022		260,665	5,913	266,577
Net Book Value				
As at 1 April 2020		21,159	5,879	27,038
As at 31 March 2021		64,402	4,896	69,298
As at 31 March 2022		68,551	3,913	72,465
				2021
				2020
12 Creditors and Accrued Expenditure				
Trade Creditors		1,057,562	739,097	
Accrued Expenditure		289,480	267,494	
Employee Entitlements		211,930	208,727	
GST		297,144	279,229	
Total Creditors and Accrued Expenditure		1,856,116	1,494,547	

13 Income in Advance

This is comprised of amounts received for the annual Conference events, NZ GAP Income in Advance and projects where funding has been received in advance of the cost associated with it and there is an obligation to return unspent funds, and unspent portion of contributions received from industry for specific projects under the SFFF - A Lighter Touch programme (see Note 20).

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
14 Professional Services		
Payments to Auditors – Audit Fee	26,500	23,500
Total Payments made were:	26,500	23,500

15 Commitments

The following amounts have been committed by Horticulture New Zealand Inc but not recognised in the financial statements.

	2022	2021
Operating Leases		
Non Cancellable Operating Lease Commitments		
Within one year	262,848	253,260
Later than one year and not later than five years	571,102	759,780
Later than five years	-	42,210
Total Non Cancellable Operating Lease Commitments	833,950	1,055,250
Total Operating Leases	833,950	1,055,250

16 Capital Commitments

Horticulture New Zealand Inc is committed to providing \$100,000 per year for the next 5 years to the SFFF – A Lighter Touch project. Horticulture New Zealand Inc has also committed to \$45,000 over the next 3 years to the Sustainable Vegetable System project (2021: Nil).

17 Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2022 (2021: Nil).

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

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Related Parties

Horticulture New Zealand Limited, a wholly owned subsidiary company of Horticulture New Zealand Inc, was incorporated on 13 October 2004. Ownership is by way of 100% shareholding of 200 shares in Horticulture New Zealand Ltd. These shares have no nominal value. The directors of Horticulture New Zealand Limited are also the President and Vice President of the Board of Horticulture New Zealand Inc.

Management has not consolidated the subsidiary Horticulture New Zealand Limited, recognising the investment in this company as an investment at cost. The subsidiary company is not trading and has no significant assets or liabilities. Management believe any difference in treatment as a consolidation entity or as an investment at cost is not material.

Directors of Horticulture New Zealand Inc, who are growers, pay levies to Horticulture New Zealand Inc through the entities they are associated with.

Director Bernadine Guilleux, and CEO Nadine Tunley, of Horticulture New Zealand Inc are both Executive Committee Members of United Fresh NZ Incorporated.

Horticulture New Zealand Inc paid United Fresh NZ Inc \$8,000 for memberships.

Nadine Tunley, the CEO (from June 2021) of Horticulture New Zealand Inc is a Director of The New Zealand Institute for Plant and Food Research Limited. The New Zealand Institute for Plant and Food Research Limited has supplied consultancy services to Horticulture New Zealand Inc for many years.

Horticulture New Zealand Inc paid The New Zealand Institute for Plant and Food Research Limited \$196,887 (2021: \$329,689) for consultancy services for the Vegetable Research and Innovation Board, Process Vegetables NZ, SFFF - A Lighter Touch and Horticulture New Zealand Inc.

The President of Horticulture New Zealand Inc, Barry O'Neil, is the Chair of Tomatoes NZ Inc. Horticulture New Zealand Inc provides administrative services and employees of Horticulture New Zealand Inc are the main administrators of Tomatoes New Zealand Inc.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

Key Management Personnel Remuneration

Horticulture New Zealand Inc classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

Members of the governing body are paid an annual fee. Full disclosures are included in the 2021/22 Horticulture New Zealand Inc Annual Report (Note 21).

The executive officers are employed as employees of Horticulture New Zealand Inc, on normal employment terms. During the year ended March 2022 Horticulture New Zealand Inc went through a transformation process. This resulted in some movement of executive officers with some positions not being resourced for the full year.

	2022	2021
Remuneration	976,768	1,055,230
Number of Executive Officers	6	6

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Events Subsequent to Balance Date

There were no other events subsequent to balance date that would require disclosure.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

20 SFFF - A Lighter Touch Project

Horticulture New Zealand Inc has entered into a Sustainable Food and Fibre Futures Partnership Agreement with the Ministry of Primary Industries (MPI). The Project is called A Lighter Touch, and is a 7 year project running from 01/04/2020-31/03/2027. The total budgeted cost for this project in the SFFF Agreement with MPI is \$27,073,129. For this project Horticulture New Zealand Inc is the lead agency for the Horticulture Industry and MPI.

Other contributors to the project include Foundation for Arable Research, Vegetables New Zealand Inc, Onions New Zealand Inc, Tomatoes New Zealand Inc, Summerfruit New Zealand Inc and Zespri.

The goal of the project is to focus in agroecological crop protection practices to create a more desirable source of food, using biopesticides (natural materials) and biological control to ensure crop protection.

	2022	2021
Total Income		
Funding Received from MPI	1,158,283	646,159
Funding Received from Industry Contributors	543,945	503,385
	<hr/>	<hr/>
Less income in advance	1,702,228	1,149,544
	<hr/>	<hr/>
Total income (Note 21)	(67,570)	(64,472)
	<hr/>	<hr/>
	1,634,658	1,085,072

MPI funding is billed after costs have been incurred and is calculated including in-kind expenses and therefore there is no income in advance in relation to this part of the funding. Hence the income in advance is only related to the funding received from the industry.

In the 2021 financial year, the income in advance was calculated based on the funding received from the industry contributors (excluding Horticulture New Zealand Inc and Process Vegetables, see below) less 60% of the total expenses.

In the 2022 financial year, Horticulture New Zealand Inc determines that the industry contributors should be assessed on an individual contract funding basis and not the programme as a whole. This is because part of the funding in the contract is related to general purposes and part of the funding is related to specific purposes. For the funding that needs to be spent on specific projects, income in advance needs to be recognised if the project hasn't commenced. The different calculation methods in the 2021 and 2022 financial years caused an immaterial difference of income in advance balance in the 2021 financial year of \$25,528. Horticulture New Zealand Inc deems this difference as not material to both financial years and no restatement is needed.

Horticulture New Zealand Inc and Process Vegetables contributed \$100,000 and \$17,597 respectively to the project during the year. However, as the SFFF - A Lighter Touch programme also sits within Horticulture New Zealand Inc, these transactions have been offset within the financial statements and do not show in the industry contributions of the project and expenditure totals of Horticulture New Zealand Inc and Process Vegetables. These contributions have instead been transferred through reserves.

Notes to and Forming Part of the Financial Statements.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

21 Statement of Financial Position by Nature

Below is the statement of financial position by nature which shows revenue, expenditure and surplus per the individual product group (Process Vegetables) and internal groups (NZ Gap, Vegetable R&I, Vegetables.co.nz., SFFF) included in the financial statements.

The surplus/(deficit) is shown in the statement of changes in net assets.

	HORTNZ	NZ GAP	VEGETABLE R & I	VEGETABLES .CO.NZ	PROCESS VEGETABLES	SFFF - A LIGHTER TOUCH	2022	2021
							TOTALS	TOTALS
Revenues								
Levy Revenue								
Levies	5,773,293				418,402		6,191,695	6,267,139
Non-Levy Revenue								
Conference Income	754,051						754,051	5,000
Grant Income & Project Funding	883,912		7,500		154,888	1,631,857	2,678,157	1,901,078
Orchardist & Grower Income	755,132						755,132	597,379
Interest Income	20,615	2,605	1,911	2,641	2,728	2,801	33,301	59,379
NZ Gap Fees	-	947,205					947,205	972,190
Administrative Service Income	976,351						976,351	837,363
Contribution Income	-		244,133	327,500			571,633	622,695
Total Revenues	9,163,353	949,810	253,544	330,141	576,018	1,634,658	12,907,525	11,262,224
Expenses								
Levy Funded Expenses								
Audit Fee	26,500						26,500	23,460
Administration Costs	1,334,392	151,326	20,668	13,348	93,201		1,612,935	1,423,997
Consultancy	527,872	316,060	81,300				925,232	871,196
Contract Services	-						-	423,396
Depreciation and Amortisation	93,779	10,307					104,085	47,839
Directors' Fees	341,697				16,314		358,010	318,192
Employee Costs	2,086,170	357,788		10,715	96,635		2,551,308	2,324,760
Legal Fees	253,169				259		253,428	443,352
Rent Expenses	178,390						178,390	171,277
Travel & Accommodation	87,251	-	2,286	7,787	15,428		112,752	98,141
Non-Funded Expenses								
Conference Expenses	720,274				18,231		738,505	61,911
Orchardist & Grower Expenses	752,957						752,957	608,364
Projects	887,257	68,518	213,443		217,998	1,340,481	2,727,697	1,970,351
Promotion & Marketing	-			264,285			264,285	198,604
Administrative Service Expenses	976,351						976,351	837,363
Total Expenses	8,266,059	903,999	317,698	296,136	458,065	1,340,481	11,582,437	9,822,204
Surplus/(Deficit) for the Year before Tax	897,295	45,811	(64,153)	34,005	117,953	294,177	1,325,088	1,440,020
Tax Expense	(30,534)						(30,534)	(18,691)
Surplus/(Deficit) for the Year after Tax	866,761	45,811	(64,153)	34,005	117,953	294,177	1,294,554	1,421,329

Independent Auditor's report.



TO THE MEMBERS OF HORTICULTURE NEW ZEALAND INCORPORATED

BDO Wellington Audit Limited

Opinion

We have audited the financial statements of Horticulture New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 31 March 2022 and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement 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 present fairly, in all material respects, the financial position of the Society as at 31 March 2022 and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

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.

Other Information

The Board is responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibilities for the Financial Statements

The Board is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, 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 on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related 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 has no realistic alternative but to do so.

Independent Auditor's report.

TO THE MEMBERS OF HORTICULTURE NEW ZEALAND INCORPORATED



BDO Wellington Audit Limited

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 maintains 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, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis of 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Entity Information.

HORTICULTURE NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2022

Legal Name of Entity

Horticulture New Zealand Incorporated

Incorporated Societies Number

1692422

Entity Type and Legal Basis

Incorporated Society

Entity's Purpose

Creating an enduring environment where growers thrive.

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 commodity levy on the sale of fruit and vegetables.

Physical Address

Level 4, Kiwi Wealth House, 20 Ballance St, Wellington 6011

Postal Address

PO Box 10232, Wellington 6140



Physical

Level 4, Kiwiwealth House
20 Ballance Street
Wellington 6011

Postal

PO Box 10232, The Terrace
Wellington 6143
P: 04 472 3795
E: info@hortnz.co.nz

www.hortnz.co.nz

