



# ANNUAL REPORT 2024



# contents

|                                   |    |
|-----------------------------------|----|
| HIGHLIGHTS FROM THE YEAR          | 4  |
| CHAIRMAN'S REPORT                 | 8  |
| CEO'S REPORT                      | 10 |
| RESEARCH SUMMARY UPDATE 2023-2024 | 12 |
| PROJECTS                          | 13 |
| SFFF HUMBLE TO HERO               | 14 |
| PROJECT OVERVIEW                  | 16 |
| BIOSECURITY COMMITMENT            | 18 |
| FINANCIAL REPORT                  | 20 |



# HIGHLIGHTS FROM THE YEAR

PHOTO: JUNE 2023, MOU SIGNED WITH INDONESIA MINISTRY OF AGRICULTURE



ONIONS NEW ZEALAND PARLIAMENTARY EVENT



R&D SUMMITS HELD IN PUKEKOHE AND ASHBURTON

## JUNE 2023

### MoU signed with Indonesia Ministry of Agriculture

On 7 June 2023 Onions New Zealand signed a cooperation agreement with the Ministry of Agriculture in Indonesia. This represents the first step toward a strengthened relationship directly between the onion sector and the Indonesian government.

Onions New Zealand has been working to develop a cooperation agreement for the past few years with the intention of supporting trade relationships and giving back to Indonesian farmers and growers. Onions New Zealand believes that there should be a mutual benefit and mutual trust and welcomes long-term strategic partnerships.

### Onions New Zealand Parliamentary event

Onions New Zealand held an event at Parliament with key Ministers, government officials, and industry stakeholders to come together to celebrate the Humble to Hero programme and highlight the success of the New Zealand onion sector and its future potential.



OCTOBER 2023, GROWER STEMPHYLIUM SESSIONS



ONIONS NEW ZEALAND SIGNS MOU WITH CFNA IN CHINA

## AUGUST 2023

### R&D Summits held in Pukekohe and Ashburton

Onions New Zealand facilitated two Research & Development Summit events in Pukekohe and Ashburton, supported by Potatoes New Zealand. The event aims to bring together agronomists, research companies, growers and experts in the field of onions to share ideas and discuss latest research across the sector. Topics covered onion sets, new onion varieties, work with the plant growth regulator maleic hydrazide, and the thrips spray programme, among others.

### Viet Nam and Thailand market intelligence reports completed



ANDY RICHARDSON VISIT: FIELD DAYS AND GROWER SESSIONS

## SEPTEMBER 2023

### Key Issues and Opportunities for the New Zealand Onion Sector released

Engagements over this period included meetings with:

1. Todd McClay – National Spokesperson Trade and Agriculture
2. Andrew Hoggard – ACT Agriculture Spokesperson
3. Chris Hipkins – Labour Party Leader
4. Nicola Willis – National Deputy Leader
5. Sam Uffindell – National Horticulture Spokesperson (at the time)

### Vegetable Collaboration Project commences

Workshops and interviews commence to better understand the membership's perspective on how the sector can better collaborate.

## OCTOBER 2023

### Grower Stemphylium sessions

This workshop was the start of further workshops with growers and agronomists over the 2023–2024 period to support the design and extension of trials conducted to support the control of Stemphylium.

## NOVEMBER 2023

### Onions New Zealand signs MoU with CFNA in China

On 7 November 2023, Onions New Zealand signed a Memorandum of Understanding (MoU) with the China Chamber of Commerce of Import & Export of Foodstuffs, Native Produce & Animal By-Products (CFNA). The MoU supports two-way trade in onions between New Zealand and China, specifically the support for market access for New Zealand to China.

### Onions New Zealand supports stronger ties with Indonesian Ministry of Agriculture

Onions New Zealand engaged with the Indonesian Ministry of Agriculture to initiate cooperation projects, visit government officials and strengthen relations.

## DECEMBER 2023

### Andy Richardson visit: Field days and grower sessions

With support from the Ministry for Primary Industries (MPI) North Island Weather Events fund, Onions New Zealand welcomed international allium and brassica Agronomist Andy Richardson in December 2023 to conduct a series of grower sessions and field walks in Pukekohe, Hawke's Bay and Ashburton.



JUNE 2024, WINTER TOUR



JULY 2024, TRADE WITHOUT FUMIGATION AGREEMENT SIGNED WITH INDONESIA



## JANUARY 2024

### Country Recognition Agreement (CRA) renewed between MPI and Indonesia

This is the agreement which gives us access to the port of Jakarta and is meant to reduce the amount of pesticide testing at the Indonesian Border.

### Frank Hay visit

At the start of 2024, we were lucky to have as a guest renowned onion and potato expert Frank Hay from Cornell University. Frank's visit focused on sharing invaluable insights and practical solutions tailored to onion and potato cultivation.



## MARCH 2024

### Vegetable Research Roadshow 2024

More than 300 growers and other vegetable industry participants attended one of the nine Vegetable Research and Levy Roadshows held around the country over the past few months.

### Completed market promotional video for the onion sector

## APRIL 2024

### Fiji Fumigation

Industry and MPI successfully pushed back on Fiji's fumigation requirement for Fall Armyworm.

## MAY 2024

### EU FTA entry into force

The New Zealand / European Union Free Trade Agreement came into force 1 May 2024. For the New Zealand onion industry, that meant the removal of the 9.6% tariff. This is a great outcome for our sector, putting us ahead of our Australian counterparts and on par with some of our competitors such as Egypt and South Africa.

## JUNE 2024

### Onions New Zealand Winter Tour

The Onions New Zealand Winter Tour 2024 received a good turnout and had supportive discussions across the country. There was a good discussion session in Christchurch with Minister Nicola Grigg (Associate Minister for Agriculture and Trade (Horticulture)).

### Commodity Levy vote

Onions New Zealand alongside other product groups and Horticulture New Zealand held their respective levy referendums. For Onions New Zealand, 99.3% by volume were in support of the continuation of the levy and 95% by one grower – one vote. In total 55% of members completed the referendum.



LAUNCH OF THE NZ EU FREE TRADE AGREEMENT BY MINISTER TODD MCCLAY

# CHAIRMAN'S REPORT

**It is my pleasure to present the Chairman's report for the year ended 30 June 2024. For the industry it was a year of much hope but ending with extreme frustration and disappointment. After a disastrous 2023 season for North Island growers, this year a crop of high-quality onions was produced, raising the prospect of a profitable season. Sadly, market returns, due to a few factors, have been extremely disappointing.**

As I commented in last year's report, market access is the major focus of Onions New Zealand. Without markets, we do not have an export industry.

The organisation has been unrelenting in maintaining existing access and pursuing new opportunities. It is pleasing that the Free Trade Agreement with the European Union came into force on 1 May 2024. This allowed some of this season's crop to enter the EU tariff free, but the full benefits won't be realised until next season. Meanwhile, little progress has been made with China since we lodged our application for access in 2018.

Discussion with officials suggests that China has moved to a position where it is ready to engage, which is very welcome. This is a particularly good example of just how prolonged and frustrating trade negotiations can be. As well we continue to pursue opportunities in Thailand, the Philippines, India, and other Asian and Middle Eastern countries.

**The issues relating to Indonesia have been well documented and highlight the frustration of being unable to achieve secure access, despite international trading rules. As the result of the determination and dedication of James and Kazi we were able to resolve the 'fumigation' issue in time for some product to enter the market. Issues relating to the size profile of onions and the availability of quota unfortunately remain unresolved. These are ongoing issues which we will continue to pursue.**

Onions New Zealand research investment focuses primarily on supporting the production of high-quality onions to meet the ever-changing demands of consumers around the world. *Stemphylium* is a major threat to many parts of the industry and there has been a renewed effort by the industry to find effective solutions.

PHOTO: ONIONS NEW ZEALAND ENGAGED WITH THE INDONESIAN MINISTRY OF AGRICULTURE TO INITIATE COOPERATION PROJECTS, VISIT GOVERNMENT OFFICIALS AND STRENGTHEN RELATIONS.

A taskforce comprising growers, researchers and agronomists has been established to facilitate research and investment in this space. This group has generated several projects looking at options moving forward. I would like to acknowledge the support of the agrichemical companies who have contributed time and cash to the work of the taskforce. We have been the driving force behind lobbying for government funding to establish a Vegetable Industry research farm in Pukekohe. Initial funding was contributed by Onions New Zealand, Vegetables NZ and Horticulture New Zealand, and further funding has been subsequently secured from the Ministry for the Environment. Onions New Zealand management, supported by other product groups, are in the process of getting the farm established.

Onions New Zealand has continued to engage with other Vegetable product groups in a project to deliver greater efficiencies and performance for levy payers through collaboration. We are all in agreement that a single collaborative structure should provide significant benefits for all vegetable levy payers. We are now looking to contract a Project Manager to work with a Transition Board to scope a new entity for consideration by all the parties.

As required by the Commodity Levies Act the six-yearly referendum was completed in June. It is pleasing that the organisation received such a strong mandate from levy payers, with 99.3% by value and 95% by numbers supporting the proposition presented to growers. This is an excellent result reflecting the support the organisation has from its levy payers... Thank you.

The commodity levy rate will remain at \$2.50 per tonne for the next budget year. However, the financial statements show the organisation has been utilising reserves to support the business. This obviously cannot continue, we either reduce activities or increase revenue. It should also be noted that the Humble to Hero project which has provided significant funding ends in 2027, and it is unclear if any similar funding will be available in the future. The outcome of the Collaboration project will also need to be factored into any funding decisions moving forward. The Board will be discussing future funding options and will make recommendations at the next Annual General Meeting. This could include recommending an increase in the commodity levy.

The financial statements show that we had excess expenditure over revenue of \$240,000 against a projected budget deficit of \$50,000. The Board is comfortable with the situation, but as noted it will review its future funding requirements during the year. The budget for the year ended 30 June 2025 is tabled for endorsement. We are recommending a budgeted deficit of \$150,000, which the board considers appropriate in the current circumstances.

I would like to thank the members of the Market Access and Research committees for their continued input and commitment to the industry. I would also like to acknowledge and thank the members of the Board for their support and contribution. Without this support and strong governance, the organisation would not be in the position it finds itself today. I would particularly like to acknowledge the input of Dacey Balle, who steps down as a Board member today. Dacey was an inaugural member of the Board when the organisation was established ten years ago. Thank you, Dacey.

To all the staff, thank you. I would like to acknowledge James and Kazi for their commitment, insight and determination across many issues throughout the year. You have built trusted relationships with ministers and senior officials both in New Zealand and overseas which have been highly beneficial. As well you have always been available to the industry to assist with the many issues. Thank you.

Finally, I thank all levy payers for your continued support and involvement.

*Owen Symmans*

Owen Symmans  
Independent Chairman



# Strategic Cooperation Signing



## CEO'S REPORT

**The 2023–24 season was a game of two halves. Prior to Christmas, there was a lot of optimism with great crop establishment, pleasing yields and promising market conditions. However, come the new year unfortunately we faced significant trade barriers exporting to Indonesia and reduced global demand which culminated in less export returns to New Zealand.**

Over the last 15 years, the New Zealand onion sector has been extremely successful in increasing exports to Southeast Asia. Since the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) came into force in 2010, onion exports have increased by 850%. The problem with this success is that now the stakes are high and from time to time, things do not go our way. The two primary issues this year with Indonesia were the delay in issuing import permits, and the introduction of fumigation. These two barriers to trade directly resulted in the loss of 20,000 tonnes of onion exports to Indonesia. This put extra pressure on other markets, reducing the price. Onions New Zealand invested considerable resources in supporting the New Zealand government to resolve these barriers. The following table highlights the impact we experienced this year.

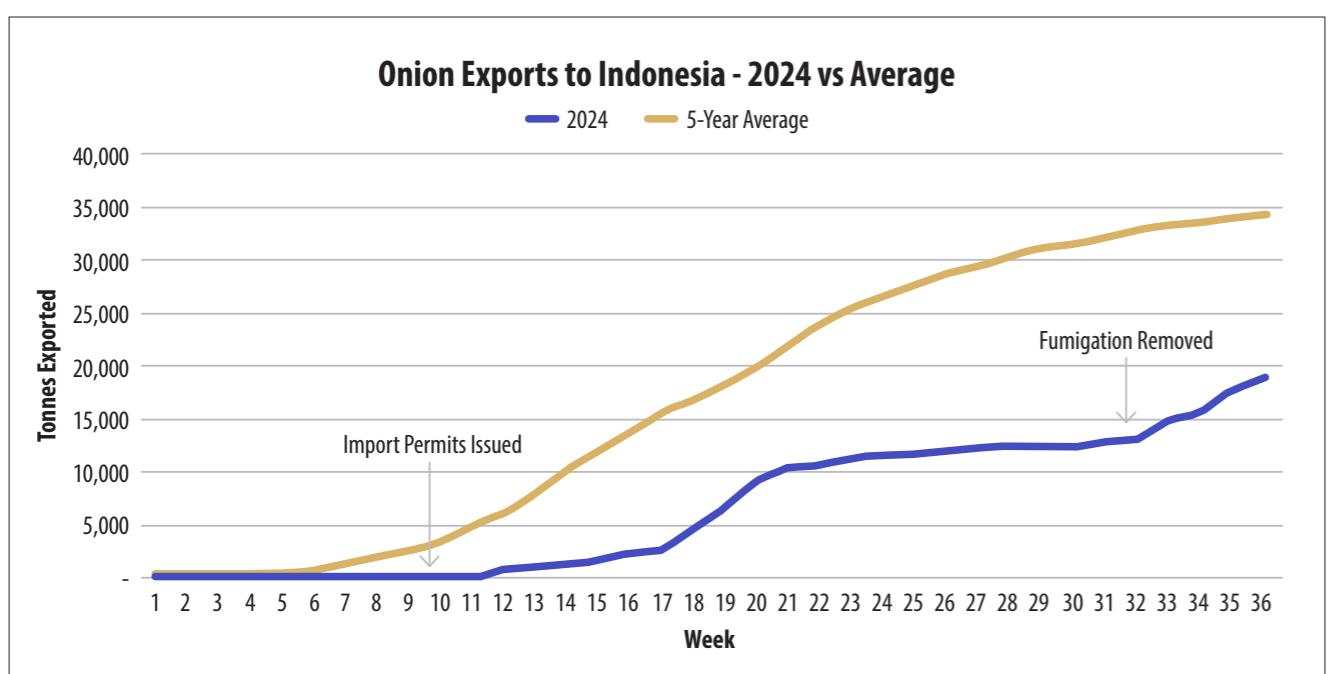
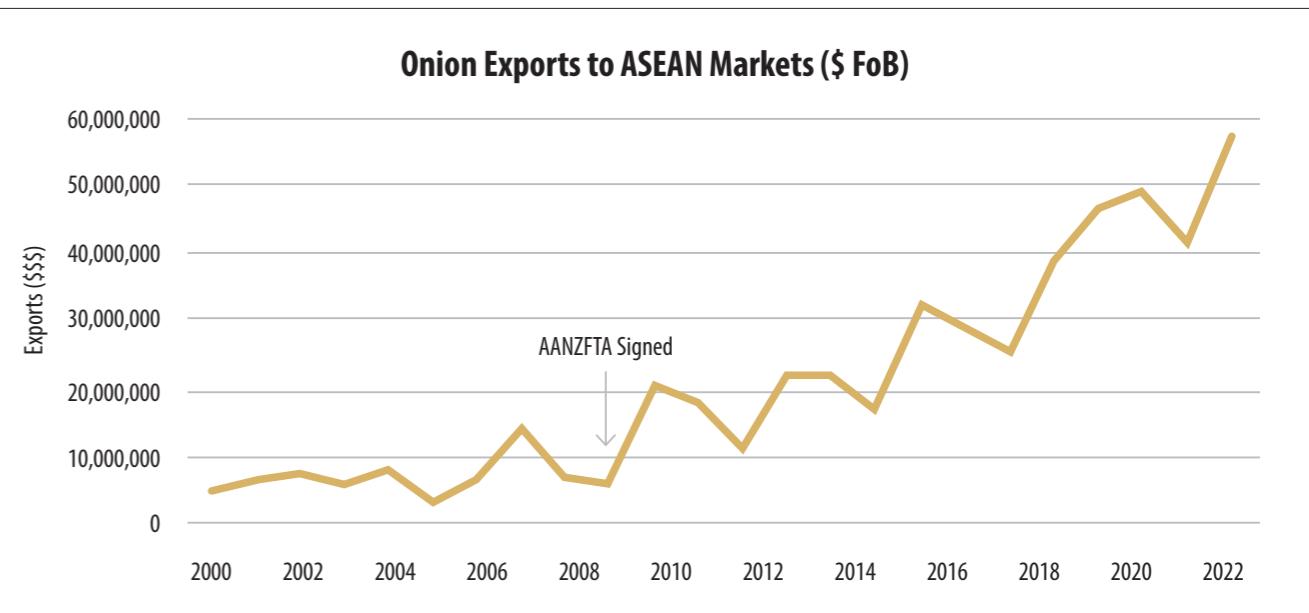


PHOTO: ONIONS NEW ZEALAND SIGNS MOU WITH CFNA IN CHINA.

The following chart highlights the New Zealand onion sector's increase in exports to Southeast Asia over the last 15 years.



**With China now reopened to visitors following the Covid-19 pandemic, Onions New Zealand was back up there to reignite our request for China market access. We were extremely unfortunate with our timing, having submitted our application request just prior to the Covid pandemic; however, we are now back underway again.**

The other areas of significant investment this year have been around screening agrochemicals for *Stemphylium* resistance, and screening new crop protection products for thrips and *Stemphylium* efficacy. We believe we have an important role to play in supporting the maintenance of current products and registering new ones for the long-term sustainability of the sector.

The combination of *Stemphylium* leaf blight, cyclones and increased trade barriers have put financial strain on Onions New Zealand. This is the third year in a row now for significantly reduced exports, and at a time of high inflation. This year in particular, Onions New Zealand has had to invest significant resources to improve our outcomes. Fortunately, we have had the reserves to support this.

I would like to thank and acknowledge the growers who have been participating in the Onions New Zealand agrochemical residue programme.

This programme has supported the retention of market access to Indonesia and is helping us gain market access to the Philippines. This is vital and proves that we can as a sector come together for activities of common good.

I would like to recognise our Chairman, Owen Symmans and the staff who make me look good. Collectively we bring a unique skill-set across biosecurity, research and market access. Also, I would like to thank the growers and exporters who volunteer their time on the market access and research committees, as well as the Board of Directors. All the growers and exporters give their time freely to support Onions New Zealand across the committees and Board.

Looking ahead, I believe Onions New Zealand is in a good position. We have a clear strategy, strong Governance and a fantastic team to deliver the workplan on behalf of our members.

Regards,

James Kuperus  
Chief Executive Officer



# RESEARCH SUMMARY UPDATE 2023–2024

## INTRODUCTION

**The 2023–2024 growing season has hosted a variety of on-farm research trials focusing on crop health, thrips control, and *Stemphylium* Leaf Blight (SLB) which has been an ongoing issue for growers particularly in the North Island.**

This was the first year we have increased our research capability with support from the Sustainable Food and Fibre Futures: Humble to Hero project. This has meant that we can support better grower productivity and sustainability through more trials and extension activities focusing efforts on main grower concerns.

The ambition over the 2024–2025 season is to support more trials with promising findings into different regional conditions to build data and the grower toolset.



## PROJECTS

| THEME                                       | PROJECT  | YEAR   | PURPOSE   | RESULTS  |
|---|--|--|---|--|
| Thrips control                              | Sequencing of insecticides for the control of onion thrips | 2 (started 2022)   | To determine which insecticides to use in what order to maximise impact on thrip populations.   | The second year of this trial yielded similar results to year one – there are limited differences in the effectiveness of the insecticide regimens, however the trials where Uphold was used first seemed to result in the lowest thrips populations at the end of the trial. What's clear is that use of insecticide programmes at the right timing can have potential to increase overall yield by protecting the crop at critical stages, work will continue in this space. |
| Stemphylium Leaf Blight                     | SLB fungicide in-field evaluation                          | 1 (started 2023)   | To determine which fungicides are most effective in reducing SLB.   | All fungicides tested had some efficacy against SLB, however fluxapyroxad and azoxystrobin were least effective. These results matched the SLB resistance lab testing.   |
| SLB fungicide programme in-field evaluation | 1 (started 2023)   | To build upon the 'in-field evaluation' trial by designing and comparing fungicide programmes. | All fungicide programmes were proven to be effective when compared to the control, however there was no statistical difference in disease severity between programmes at the end of the trial. Work continues to test effectiveness of different fungicide programmes.  |  |
| Fungicide resistance lab trial              | 2 (started 2022)   | To evaluate fungicide effectiveness on SLB in the lab.   | These trials used onion plant leaves harvested at the end of the growing season to obtain fungal isolates of SLB. The response of the isolates to the most commonly used fungicides were tested. Results indicated that fungicide resistance may have an impact on growers' ability to control disease in the field. Grower resistance management guidelines will be developed in accordance to these findings. |  |
| Nutrient optimisation                       | Demonstration farm – nitrogen optimum trial                | 1 (started 2023)   | To assess the impact of timing on the effectiveness of nitrogen fertiliser application.   | There was no statistical difference in total yield between nitrogen side dressing application strategies, meaning trials in the range of 120–200 units N/Ha had similar results, and time of application throughout the growing season (pre/post 5 leaf) had similar results.  |

# SFFF HUMBLE TO HERO

## QUICK FACTS:

- Just completed year three of six
- \$6 million budget over six years (\$2.8 million contributed by government)
- Partnership commenced 1 July 2021, concluding 30 June 2027
- Just over \$2.6 million total investment to date

## THE PROGRAMME

The **Humble to Hero** programme is a six-year, 6-million-dollar partnership between Onions New Zealand and the Ministry for Primary Industries (MPI) under the Sustainable Food and Fibre Futures fund, which aims to transform the onion industry.

The project addresses three main themes, market validation and diversification, enabling value, and capturing value. Under these themes there are 10 projects which house numerous workstreams around market access, research and data assurances.

Each of the three project themes is derived from a level of the 'market access triangle'. This triangle is a visual reminder of the way in which the New Zealand onion industry can be supported in international markets.

**Capturing value** involves additional activities such as identifying and marketing unique attributes of the New Zealand onion.



**Market validation and diversification** is the base of the triangle, which involves initial access to markets.

## THEME A MARKET VALIDATION AND DIVERSIFICATION

Centred on identifying and opening high-value export markets. This theme will reduce the industry's dependency on the European Union and Indonesia. This will involve gathering information on potential markets, gaining or improving regulatory access, and developing and validating markets.

## THEME B ENABLING VALUE

Focused on adding robustness to the New Zealand onion sector. This is the linchpin of our future market access. Acknowledging that globally, consumers and governments are demanding greater accountability from the food system. The projects in this theme will enhance the reputation of New Zealand onions with verifiable food safety credentials, robust industry information and understanding of the industry's sustainability metrics.

## THEME C CAPTURING VALUE

Adding value to New Zealand onions by understanding consumer demands, conducting sensory analysis, identifying unique attributes, exploring options to reduce waste and telling the story of New Zealand onions. This work will take the humble onion and establish it as the hero New Zealand onion.

# PROJECT OVERVIEW

The Humble to Hero programme has just completed its third year. Below highlights the projects and activities to date.

## THEME A MARKET VALIDATION AND DIVERSIFICATION

**Market Intelligence Information**  
Project to explore how to continue to improve onion exporter intelligence.

NEW

**France, Germany, Spain Market Intelligence report**  
Evaluating the market conditions, conducting importer interviews and consumer surveys in the EU markets France, Germany and Spain.

COMPLETE AND REPORT AVAILABLE

**NZTE Consumer Insights**  
An overview of 7 countries across Asia, South America and the Middle East for potential and up and coming markets to invest in.

COMPLETE AND REPORT AVAILABLE

**Thailand Market Access**  
Working with NZ government to re-establish full market access for NZ onions.

COMPLETE

**Thailand and Vietnam Market Intelligence Report**  
Evaluating the market conditions, conducting importer interviews and consumer surveys in growth potential markets Thailand and Vietnam.

COMPLETE AND REPORT AVAILABLE

**Indonesia Cooperation Project**  
New protocols have been established to enable export to Indonesia. Programme of work will continue to support exporters to comply with these new protocols, to improve Indonesian market intelligence and to progress cooperation projects with Indonesian farmers.

ONGOING

**China Work Programme**  
A market visit in 2023 complete with an MoU signed and onion position for market access re-confirmed after Covid-19. Pest Risk Analysis underway, a crucial step in negotiating market access for China. Management is working with NZ government to progress this work.

ONGOING

## THEME B ENABLING VALUE

**Onion Sector IT Solutions**  
A thorough look at Onions New Zealand systems and the sector requirements for data and IT has been completed. Work on a bespoke onion data platform has commenced and will continue for the duration of the project.

ONGOING

**Residue and Food Safety programmes**  
The Onions New Zealand residue programme continues to support growers to collect data and provide assurances on residue and food safety.

ONGOING

**Sustainability On-Farm and Grower Extension**  
This is a wider project that is supported by the Onions Research and Innovation Committee to obtain better outcomes for pest and disease, nutrient management and on-farm solutions. The 2024–2025 budget is \$130,000 for projects to support thrips, *Stemphylium* leaf blight, and crop health.

ONGOING

**EU Green Deal Literature review**  
To understand the changing sustainability requirements of one of the primary importers of NZ onions, a report has been commissioned and completed.

COMPLETE AND REPORT AVAILABLE

**Sustainability GHG tools**  
To support exporters and growers provide sustainability data and assurances for overseas consumers, a GHG calculator for on-farm use is now available. Options for further development are being explored.

ONGOING

**India Market Intelligence**  
Research into Indian market has been completed and plans for a NZ delegation to visit India have been confirmed. Phytosanitary work in progress.

COMPLETE AND REPORT AVAILABLE

## THEME C CAPTURING VALUE

**Phytochemical Analysis**  
Phytochemicals are natural compounds found in onions that may have health benefits for humans. Preliminary phytochemical analysis has been completed. Options for further research are being explored.

ONGOING - REPORT AVAILABLE

**Sensory analysis**  
A sensory test was conducted to evaluate from a taste panel perspective, whether there is a difference between a New Zealand onion and competitor onion. The sensory test was conducted in Auckland with a trained sensory panel.

COMPLETE AND REPORT AVAILABLE

**Waste Stream Literature Review and Grower Survey**  
A literature review was conducted on the potential products that the sector can investigate developing from waste onions. This case has been supported by further research and report into the characteristics and volume of the waste stream across the country.

COMPLETE AND REPORT AVAILABLE

**Shipping Best Practice**  
Trials and research continue to develop a container setting best practice guide for onion exporters ensuring best quality product on arrival.

ONGOING

**New Zealand Onion Story**  
New Zealand Grown Onions website has been developed and is open to the public. Content continues to be posted. Marketing campaigns in progress to promote the sector. This is part of a multi-year strategy to elevate the profile of New Zealand onions in domestic and overseas markets.

ONGOING

**Philippines**  
A Filipino delegation visited NZ to review our growing practices with the intention to approve import of NZ onions as soon as practically possible.

ONGOING

**Middle East Market Intelligence Report**  
A market intelligence is planned for 2024–25.

NEW

# BIOSECURITY COMMITMENT 2024

Onions New Zealand is dedicated to safeguarding the industry through strong biosecurity measures. We actively work with growers, government agencies and industry partners through the Government Industry Agreement (GIA) to prevent the introduction and spread of harmful pests and diseases.

Our commitment includes implementing best practices, continuous monitoring, and responding swiftly to potential threats, ensuring the sustainability and success of the onion industry in New Zealand.



## OUR TOP 10 THREATS

1. Onion fly (*Delia antiqua*)
2. Chilli thrips (*Scirtothrips dorsalis*)
3. Leafmining flies (*Liriomyza spp.*, *C. horticola*, *P. gymnostoma*)
4. Onion Bulb mite (*Rhizoglyphus setosus*)
5. Leek moth (*Acrolepiopsis assectella*)
6. Centre rot (*Pantoea ananatis*)
7. Tobacco/Flower thrips (*Frankliniella fusca*, *F. ewarti*)
8. Black Onion Fly (*Tritoxa flexa*)
9. Onion bacterial Blight (*Xanthomonas axonopodis* pv. *allii*)
10. Leaf hoppers (*Macrosteles quadrilineatus*, *M. striifrons*)

## ONIONS READINESS AND RESPONSE ACTIVITIES



0  
Active  
Responses



*Delia antiqua*  
operational  
specifications  
being developed



*Delia antiqua*  
threat specific  
manual  
completed



Demo farm  
biosecurity  
improvements

## GIA GOVERNANCE



### LEPIDOPTERA WORKING GROUP

#### LIST OF PROJECTS:

- Stocktake of diagnostic capability at MPI Labs
- Surveillance and trapping options
- Communications and engagement plans
- A storage plan for *Bacillus thuringiensis* var. *kurstaki* (Btk) stock



### PLANT BIOSECURITY COUNCIL

Horticulture sector GIA members meet twice a year to share anything plant biosecurity related—from biosecurity and surveillance methods to common trends across the other GIA governance groups, allowing for collaboration where possible.



### DEED GOVERNANCE GROUP

The DGG is the highest decision-making body of GIA and is made up of a representative from each of the Deed Signatory groups.

DGG is ultimately responsible for the implementation of the GIA Deed but has no role in technical matters including biosecurity response and operational agreements.

ONIONS NEW ZEALAND INCORPORATED

# SPECIAL PURPOSE FINANCIAL REPORTS

FOR THE YEAR ENDED  
30 JUNE 2024

ONIONS NEW ZEALAND INCORPORATED

# Financial Accounts

FOR THE YEAR ENDED 30 JUNE 2024

## Contents

|                                    | Page |
|------------------------------------|------|
| <b>Non-Financial Information:</b>  |      |
| Entity Information                 | 22   |
| <b>Financial Information:</b>      |      |
| Statement of Financial Performance | 23   |
| Statement of Financial Position    | 24   |
| Statement of Accounting Policies   | 25   |
| Notes to the Performance Report    | 26   |
| Auditors Report                    | 31   |

# Entity Information

FOR THE YEAR ENDED 30 JUNE 2024

|  |   |
|--|---|
| Legal Name of Entity:                        | Onions New Zealand Incorporated                                       |
| Type of Entity and Legal Basis:              | Incorporated Society  |
| Registration Number:                         | 1570409   |
| Date of Incorporation:                       | 26 October 2004   |
| Entity's Purpose:                            | To represent the interests of all New Zealand onion growers           |
| Entity Structure:                            | Incorporated Society  |
| Main Sources of Entity's Cash and Resources: | Revenue generated from levies.  |
| Main Methods Used by Entity to Raise Funds:  | Funded through a compulsory commodity levy on onions grown            |
| Contact details                              |   |
| Physical Address:                            | Level 4<br>Kiwi Wealth House<br>20 Ballance Street<br>Wellington 6011 |
| Postal Address:                              | PO Box 10232<br>Wellington 6140                                       |
| Phone/Fax:                                   | Ph +64 508 664 667  |
| Email/Website:                               | <a href="http://www.onionsnz.co.nz">www.onionsnz.co.nz</a>            |

# Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2024

|  | Note | Actual<br>2024<br>\$ | Actual<br>2023<br>\$ |
|--|------|----------------------|----------------------|
| <b>REVENUE</b>   |      |                      |                      |
| Levies   | 1    | 545,496              | 611,636              |
| Subscriptions  |      | 7,228                | 9,325                |
| Grants   | 2    | 637,713              | 372,131              |
| Sponsorship & Sundry Income                                |      | 89,099               | 109,245              |
| Interest   |      | 35,593               | 17,707               |
| <b>Total Revenue</b>                                       |      | <b>1,315,129</b>     | <b>1,120,044</b>     |
| <b>EXPENSES</b>  |      |                      |                      |
| Industry Leadership  |      | 399,970              | 358,868              |
| Administration   |      | 88,880               | 79,273               |
| Market Access  |      | 736,492              | 566,674              |
| Biosecurity  |      | 15,987               | 27,970               |
| Industry Research, Innovation & Extension                  |      | 296,292              | 198,175              |
| Investment in Associate                                    |      | 12,161               | -                    |
| <b>Total Expenses</b>                                      | 3    | <b>1,549,783</b>     | <b>1,230,960</b>     |
| <b>Operating Surplus/(Deficit) for the Year before Tax</b> |      | <b>(234,654)</b>     | <b>(110,916)</b>     |
| Tax Expense  | 4    | 10,727               | 4,249                |
| <b>Net Surplus/(Deficit) after Tax</b>                     |      | <b>(245,381)</b>     | <b>(115,165)</b>     |

# Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2024

|   | Note | Actual<br>2024   | Actual<br>2023   |
|---|------|------------------|------------------|
|   |      | \$               | \$               |
| <b>ASSETS</b>   |      |                  |                  |
| <b>Current Assets</b>                                   |      |                  |                  |
| Bank accounts and cash                                  | 6    | 169,033          | 315,841          |
| Investments   | 6    | 450,000          | 600,000          |
| Debtors and prepayments                                 | 7    | 426,198          | 383,092          |
| Tax Receivable  | 5    | -                | 584              |
| <b>Total Current Assets</b>                             |      | <b>1,045,231</b> | <b>1,299,517</b> |
| <b>Non-Current Assets</b>                               |      |                  |                  |
| Investments in Associates                               | 8    | 17,839           | 30,000           |
| <b>Total Non-Current Assets</b>                         |      | <b>17,839</b>    | <b>30,000</b>    |
| <b>Total Assets</b>                                     |      | <b>1,063,070</b> | <b>1,329,517</b> |
| <b>LIABILITIES</b>                                      |      |                  |                  |
| <b>Current Liabilities</b>                              |      |                  |                  |
| Creditors and accrued expenses                          |      | 248,339          | 286,236          |
| GST Payable   |      | 47,326           | 31,280           |
| Tax payable   |      | 786              | -                |
| <b>Total Current Liabilities</b>                        |      | <b>296,451</b>   | <b>317,516</b>   |
| <b>Total Assets less Total Liabilities (Net Assets)</b> |      | <b>766,620</b>   | <b>1,012,001</b> |
| <b>EQUITY</b>   |      |                  |                  |
| Capital Reserve   |      | 150,000          | 150,000          |
| Retained Earnings                                       | 9    | 616,620          | 862,001          |
| <b>Total Equity</b>                                     |      | <b>766,620</b>   | <b>1,012,001</b> |



OWEN SYMMANS  
ONZ Inc. Chair & Director  
Dated 18 October 2024



KEVIN WILCOX  
ONZ Inc. Vice Chair & Director  
Dated 18 October 2024

# Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2024

## Basis of Preparation

Onions New Zealand Incorporated is an Incorporated Society and as such has no statutory requirement to prepare GAAP compliant financial statements. The Society has elected to prepare Special Purpose Financial Statements applying PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000 with the exception of preparation of a Statement of Service Performance and Cashflow Statement. All transactions in the Financial Reports are reported using the accrual basis of accounting. The Financial Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

## Goods and Services Tax (GST)

Onions New Zealand Inc is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

## Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense represents the estimated current obligation payable to Inland Revenue. Taxation expense is accrued in the period to which the obligation arose. Tax is calculated in accordance with IRD rates.

## Bank Accounts and Cash

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

## Levy Revenue

Levies are non-exchange revenue and accounted for on an accrual basis. Revenue is recognised for produce sold in the year to 30 June for which a growers levy declaration has been received by the society.

## Interest Revenue

Interest income is recognised as it is earned and accrued using the effective interest method.

## Research and Development Grant Revenue

Research and development grants are recognised in accordance with the funding agreement. Where funding is provided with conditions then income is only recognised when the conditions attached have been fulfilled with the unspent portion being recognised as income in advance. Funding is recognised as income when received if there are no refundable conditions attached.

## Food Safety Assurance

Food safety assurance income is the price paid by the growers/packhouses based on the residue submission form that they complete. This income is recognised when it is invoiced to the grower.

## Debtors

Debtors are stated at estimated realisable value. Bad debts are written off during the period in which they are identified.

## Investment in Associate

Onions NZ has opted to apply Tier 2 Standards, specifically PBE IPSAS 36, for the accounting of its investment in the associate in accordance with the equity method. The investment in the associate is initially recognised at cost, and the carrying amount in the financial statements is increased or decreased to recognise the share of the surplus or deficit of the associate as at the balance date.

## Expenses

Expenses have been classified on their business function. Expenses are recognised in the period in which they relate to.

## Changes in Accounting Policies

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

# Notes to the Performance Report

FOR THE YEAR ENDED 30 JUNE 2024

## Note 1 : Levy Income

|                     | \$ This Year   | \$ Last Year   |
|---------------------|----------------|----------------|
| Direct Sales Levies | 3,128          | -              |
| Domestic Levy       | 104,900        | 90,772         |
| Export Levy         | 329,195        | 393,539        |
| Marketer Levy       | 121,903        | 140,454        |
| Process Levy        | 3,994          | 5,225          |
| Less Collection Fee | (17,624)       | (18,353)       |
|                     | <b>545,496</b> | <b>611,637</b> |

## Note 2: Grants

|                                | \$ This Year   | \$ Last Year   |
|--------------------------------|----------------|----------------|
| MPI SFF Grant (Humble to Hero) | 616,237        | 372,131        |
| MPI SFF Grant (ALT)            | 21,476         | -              |
|                                | <b>637,713</b> | <b>372,131</b> |

## Note 3 : Analysis of Expenses

|  | \$ This Year   | \$ Last Year   |
|--|----------------|----------------|
| <b>Industry Leadership</b>                 |                |                |
| AGM/Grower Seminars                        | 1,123          | 376            |
| CEO, BM & Admin Fees                       | 264,860        | 223,683        |
| Chief Executive Officer Expenses           | 768            | 1,697          |
| Consultancy - Strategic                    | -              | 15,100         |
| Directors Expenses                         | 7,618          | 7,866          |
| Government Relations                       | 1,063          | 2,785          |
| HortNZ PG Meetings & Vegetable Forums      | 3,870          | 464            |
| Independent Chair                          | 38,850         | 38,850         |
| Independent Chair Expenses                 | 858            | 242            |
| National Environment Submissions           | 1,500          | 1,650          |
| Regional Co-Ordinators                     | -              | 50,912         |
| Vegetable Sector Collaboration Expenditure | 61,997         | -              |
| Travel Expenses                            | 17,464         | 15,244         |
| <b>Total Industry Leadership Expenses</b>  | <b>399,970</b> | <b>358,869</b> |

# Notes to the Performance Report

FOR THE YEAR ENDED 30 JUNE 2024

## Administration Expenses

|                                      | \$ This Year  | \$ Last Year  |
|--------------------------------------|---------------|---------------|
| Accountancy Fees                     | 16,175        | 15,587        |
| Audit & Tax Fees                     | 8,876         | 8,707         |
| Bank Fees & Charges                  | 828           | 644           |
| Commodity Levy Referendum            | 1,542         | -             |
| District Association Grants          | 12,106        | 5,093         |
| General Expenses                     | 6,026         | 2,579         |
| Grower Magazine Contribution         | 3,252         | 2,710         |
| Overheads                            | 36,345        | 17,727        |
| Legal Fees - Deductible              | 3,389         | 9,288         |
| Printing/Postage/Stationery          | 4,681         | 4,452         |
| Telephone & Tolls                    | -             | 1,906         |
| Vegetables.co.nz                     | (5,004)       | 10,000        |
| Website                              | 664           | 579           |
| <b>Total Administration Expenses</b> | <b>88,880</b> | <b>79,272</b> |

## Market Access

|   |                |                |
|---|----------------|----------------|
| AMI Weekly News & World Report                    | 17,225         | 18,674         |
| Australia (Consultancy & Govt Cost Recovery Fees) | 563            | 2,750          |
| China Market Intelligence                         | 3,263          | 3,252          |
| Humble to Hero                                    | 692,774        | 526,100        |
| National Technical Working Group (Global GAP)     | 2,000          | 2,000          |
| Plants Market Access Council Membership           | 5,917          | 1,216          |
| Reporting & Scanning                              | 12,000         | 9,874          |
| Surveys   | 2,750          | 2,808          |
| <b>Total Market Access Expenses</b>               | <b>736,492</b> | <b>566,674</b> |

## Biosecurity

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Biosecurity Extension             | 208           | -             |
| Biosecurity Networks              | 8,331         | 8,533         |
| Biosecurity Responses             | -             | 8,717         |
| Maintaining Technical Expertise   | -             | 7,000         |
| Onion Pest List                   | 7,448         | 3,720         |
| <b>Total Biosecurity Expenses</b> | <b>15,987</b> | <b>27,970</b> |

# Notes to the Performance Report

FOR THE YEAR ENDED 30 JUNE 2024

## Industry Research & Innovation

|   | \$ This Year   | \$ Last Year   |
|---|----------------|----------------|
| Export Onion MRL (MPI) and PHI (P&FR) Updates   | 750            | -              |
| MPI SFF   | -              | 1,152          |
| ALT SFFF  | 38,476         | 39,023         |
| Disease Portal                                  | 35,040         | 22,830         |
| Pukekohe Research Farm                          | -              | 14,762         |
| Project Vice Expenses                           | 13,954         | 6,573          |
| ONZ Research Manager                            | 39,192         | 13,835         |
| Pan Horticulture PGP - Generic Activities       | 18,691         | 25,661         |
| Pan Horticulture PGP - Specific Activities      | 27,005         | 12,070         |
| Research Education Trust                        | 5,000          | 10,000         |
| SFFF Industry Aligned Contestable Fund          | 76,000         | -              |
| VR & I Board Admin                              | 5,271          | 14,316         |
| VR & I Board Leveraged Research                 | 35,413         | 37,777         |
| Response to EPA Reviews of Agrochemicals        | 1,500          | 175            |
| <b>Total Industry Research &amp; Innovation</b> | <b>296,292</b> | <b>198,174</b> |

## Note 4 : Taxation Reconciliation

|   | \$ This Year     | \$ Last Year     |
|---|------------------|------------------|
| Surplus/(Deficit) before Income Tax           |                  |                  |
| Current Year Earnings                         | (234,654)        | (110,915)        |
| Total Surplus/(Deficit) before Income Tax     | <u>(234,654)</u> | <u>(110,915)</u> |
| Permanent Differences                         |                  |                  |
| Non-Member Income Exemption                   | (1,000)          | (1,000)          |
| Non-Taxable (Profit)/Loss Relating to Members | 273,964          | 126,112          |
| Total Permanent Differences                   | <u>272,964</u>   | <u>125,112</u>   |
| <br>Taxable Profit/(Loss)                     | <br>38,310       | <br>14,197       |
| <br>Tax Payable at 28%                        | <br>10,727       | <br>3,975        |
| Prior period income tax adjustment            | 274              |                  |
|   | <u>10,727</u>    | <u>4,249</u>     |

Interest income less income exemption, tax return preparations and bank fees make up the taxable profit to members.

# Notes to the Performance Report

FOR THE YEAR ENDED 30 JUNE 2024

## Note 5 : Taxation

|  | \$ This Year  | \$ Last Year |
|--|---------------|--------------|
| Opening Balance Payable/(Receivable)       | (584)         | (95)         |
| Provision for Taxation                     | 10,727        | 3,975        |
| Refund                                     | 584           | 95           |
| <b>Total Increases</b>                     | <b>11,311</b> | <b>4,070</b> |
| Decreases                                  |               |              |
| RWT Paid                                   | 9,940         | 4,559        |
| Total Decreases                            | 9,940         | 4,559        |
| <b>Total Taxation Payable/(Receivable)</b> | <b>786</b>    | <b>(584)</b> |

## Note 6 : Bank Accounts, Cash and Investments

|   | \$ This Year   | \$ Last Year   |
|---|----------------|----------------|
| BNZ Current Account   | 166,942        | 293,990        |
| BNZ Call Account  | 2,091          | 21,851         |
|   | <u>169,033</u> | <u>315,841</u> |
| <br>Interest is earned at 2.75% per annum in Business First Call Account. |                |                |
| BNZ Term Deposit #2 - 365 days - matures October 2024                     | 150,000        | 300,000        |
| BNZ Term Deposit #4 - 365 days - matures February 2025                    | 300,000        | 300,000        |
|   | <u>450,000</u> | <u>600,000</u> |

Interest is earned at 6.00% - 6.10% per annum on Fixed Term investments.

## Note 7 : Debtors and prepayments

|                  | \$ This Year   | \$ Last Year   |
|------------------|----------------|----------------|
| Trade Debtors    | 413,420        | 190,976        |
| Interest Accrued | 12,778         | 10,319         |
| Debtors Accrued  | -              | 180,270        |
| Prepayments      | -              | 1,526          |
|                  | <u>426,198</u> | <u>383,091</u> |

## Note 8 : Investment in Associates

|                                  | \$ This Year  | \$ Last Year  |
|----------------------------------|---------------|---------------|
| Investments in Associates        | 30,000        | 30,000        |
| Fair Value movement in associate | (12,161)      | -             |
|                                  | <u>17,839</u> | <u>30,000</u> |

On 3 April 2023, Onions New Zealand Incorporated invested \$30,000 in Horticulture Executive Services Limited, a management services company.

# Notes to the Performance Report

FOR THE YEAR ENDED 30 JUNE 2024

## Note 9 : Accumulated Funds

|                       | \$ This Year   | \$ Last Year   |
|-----------------------|----------------|----------------|
| Opening Balance       | 862,001        | 977,166        |
| Current Year Earnings | (245,381)      | (115,165)      |
| <b>Total</b>          | <b>616,620</b> | <b>862,001</b> |

## Note 10 : Commitments and Contingencies

### Commitments

There are no commitments as at balance date.

### Contingent Liabilities and Guarantees

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

## Note 11 : Events after Balance Date

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation (Last Year - NIL).

## Note 12 : Related Party Transactions

On 30 June 2024, \$79,000 was paid to A S Wilcox and Sons Ltd as a contribution to the SFFF Industry Aligned Contestable Fund. Kevin Wilcox, director of Onions New Zealand is also a director of A S Wilcox & Sons Ltd.

Any other transactions between these entities and Onions New Zealand relate to levy payments or membership fees and have occurred on the same terms and conditions as other payers. The following businesses have been identified as related parties due to company directors also being on the board of Onions New Zealand.

Masters & Sons Ltd

A.S. Wilcox and Sons Ltd

Southern Packers Ltd

Apatu Farms Ltd

Balle Bros Fresh Produce Ltd

Easton Agriculture Ltd

Easton Produce Ltd

Webster Farming Ltd

Greenz Growlink (subsidiary of Freshmax Ltd)

NZ Onion Company Ltd

Southern Fresh Produce Ltd

Harvest Fresh Ltd

Balle Bros Farms Ltd

Canterbury Onion Exports

Harvex

Tasman Seeds Ltd

### Horticulture Executive Services Limited

Owen Symmans is the Chair of Onions New Zealand and a member of the Board of Horticulture Executive Services

Limited. Tomatoes NZ, Vegetables NZ, Summerfruit NZ and Onions NZ invested

\$30,000 each in HESL. HESL provides administrative services, and employees of HESL are the main administrators of Onions New Zealand. Onions New Zealand owed HESL \$31,620 at year-end (2023: \$24,501).

# Independent Auditor's Report

TO THE MEMBERS OF ONIONS NEW ZEALAND INCORPORATED

### Opinion

We have audited the financial statements of Onions New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 30 June 2024, and the statement of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 30 June 2024 are prepared, in all material respects, in accordance with the accounting policies specified in the statement of accounting policies in the financial statements.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the society's members, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Society and the Society's members, as a body, and should not be distributed to or used by parties other than the Society or the Society's members. Our opinion is not modified in respect of this matter.

### Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the accounting policies specified in the statement of accounting policies in the financial statements and for such internal control as the directors determine 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 directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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



BDO Wellington Audit Limited

# Notes

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

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

We communicate with the directors 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  
18 October 2024



BDO Wellington Audit Limited

## Notes



## ONIONS NEW ZEALAND ANNUAL REPORT 2024

**Onions New Zealand Inc.**

PO Box 10-232 Wellington 6143  
Level 4 KiwiWealth House  
20 Ballance St Wellington 6011,

P: 0508 664 667  
E: [james.kuperus@onionsnz.com](mailto:james.kuperus@onionsnz.com)