



13th Annual General Meeting

18th October 2017, 5:00pm

Indian Association Hall, Ward St, Pukekohe

Onions New Zealand Incorporated

Agenda



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Onions New Zealand Incorporated

Chairman's Report



It is my pleasure to present the Chairman's Annual Report to the 2017 Annual General Meeting.

This has been a challenging season for the industry both from a growing and marketing perspective. Spring was cool in many parts of the country inhibiting early season growth which was followed by excessive rain around harvest. Despite these difficulties the total crop will be above average and it is expected that close to 185,000 tonnes will be exported in the 2017 calendar year which considering the season, is a good outcome.

The market has been as about as fickle as the weather. The European market has been slow with pressure from domestic production/stock carry over. There has been good growth in the Indonesian market, despite periodic intervention by Indonesian officials creating much uncertainty. Now that has settled, the year's out turn will be a record for that market.

Onions NZ has had a very positive year and remains focussed on its core business as an industry good organisation of facilitating an environment where the commercial participants can be profitable.

To ensure that the organisation was properly focussed the Board reviewed the industry strategy and agreed on some fine tuning to ensure that it is relevant for the next period. The industry strategy is based on four key pillars, Integrity of NZ onions, Export Markets, Research and Innovation and Industry Capacity. The CEO report will comment in more detail but I wish to highlight some of the key issues.

Biosecurity has consumed considerable resource during the year and good progress is being made in meeting our commitments under the GIA deed. This a long process but we are now moving to negotiate an operational agreement which is really where the "rubber hit's the road". Maintaining our pest and disease free status is critical for an export industry such as ours and so the better prepared we can be will hopefully ensure a positive outcome from any incursion that might occur. The negotiation and agreement on an operational Agreement will provide a framework to manage any future risks. Recent experiences with incursions across the primary sector highlight the need for us to be 'match fit' The other emerging issue in the integrity space is around food safety where many of the emerging markets are putting increased focus on ensuring that imported food is safe for their consumers with emphasis on residues and heavy metals. The reality is that the consumer is always right and we need to keep a wary eye on the issue as it develops.

Facilitating trade and achieving market access will always be critical for the success of the industry. The management team are consistently monitoring developments and looking for opportunities. The Board puts high priority on the issue and is very focussed on breaking down the bureaucratic nightmare to achieve access into the Chinese market. This will unfortunately not happen overnight but unless we are tenacious in our endeavours we will not succeed.

There is no doubt in my mind that without the professional persistence of the Management team we would not have had access to Indonesia reopened for the second half of 2017. This happened because of their strong connections with trade officials who valued the industries timely input on the issue.

The industry recognises the importance of Research and Innovation and invests a third of its budget into this activity. The reality is that if we don't take a lead in this space nobody will do it for us, as Government investment is gradually being reduced. Research has played an important part in the development of the industry and will continue to do so in the future and has been ably supported by the research and innovation committee.

Onions New Zealand Incorporated

Chairman's Report

Onions New Zealand
Incorporated

These activities all need to be supported by investment in capacity, it is little use having challenging strategic goals unless they can be supported by adequate resourcing. Communication is a key strategic resource both in terms of keeping levy payers informed and involved with the activities of the business and advocating with key decision makers on issues of relevance to the industry. I believe that in the past year we have made significant gains. The weekly newsletter to members has been well received as a medium to communicate and inform. Due to the activities of management the Wellington “beltway” is much better informed on the importance of the industry, its risks and opportunities. This trust and confidence in our team by officials facilitated almost daily contact with key officials over the recent challenges with Indonesia.

Finally it is a pleasure to report that the financial affairs of the business are very sound with a surplus of \$61k being a positive for this past year. We will have \$1.276mil in reserves as at 30 June of which \$500k is earmarked to support biosecurity. The Board has discussed the level of Reserves and considers that the current level is appropriate for the business. The Budget before you shows a small deficit a position that the Board is comfortable to support.

Finally I wish to thank the Board for their support and contribution during the year and to Mick, James and Jane for their untiring efforts on behalf of the industry.

Owen Symmans
Independent Chairman
Onions New Zealand Inc.



Hunter Nottage (Manager, Trade Law Unit, MEAT) meets with Kevin Wilcox and Dacey Balle on the ONZ bus tour



Jayant Master addressing the attendees of the ONZ bus tour

Onions New Zealand Incorporated

CEO's Report

The past 12 months has seen a significant increase in the depth and range of activities overseen by ONZ. From a fledgling organisation just 5 years ago, we have created valuable financial and intellectual resources as well as achieving recognition as a credible, unified, strategic thinking peak body. With the support of the Board of Directors and the Executive team plus the generosity of Associates, it has been very satisfying to participate in the further enhancement of the industry's standing.

Our team is relatively small and are all contracted. The CEO and the R&I Manager are part time positions however the Business Manager, which is contracted via HortNZ, was upgraded to a full time position during the year.

Other services are provided by HortNZ finance department and Market Access Solutions Ltd.

As the detailed budget shows, we have five areas of activity and expenditure. This is in harmony with our strategic plan which was refreshed during the year and flows through into the annual business plan. The three most visible areas of activity are outlined separately in this year's report format. These are Biosecurity, Export Market Access & Development and Research & Innovation. It should be noted that the Industry Leadership section of the budget also provides significant support to these three areas.



Financial

Total Equity: This now sits at \$1.276 mil. This is of considerable importance in various negotiations when Government departments and others wish to partner in Market Access, Biosecurity and R&I projects. It also gives standing when seeking recognition alongside or in competition for resources with other leading horticulture export sectors.

Budget 2016/17: Full transparency has again been provided. Revenue assumptions are considered prudent and are based on an export crop of 180k mt being a rolling 3 year average of actuals plus a domestic and processing levy take equivalent to approx. 33k mt. With reserves in a healthy state the budget has been drawn to allow for a full work programme and a small deficit.

Export season 2016/17

For our statistical year - end 31st Dec 2017, we are forecasting a total export crop of approx. 185K mt vs 171k mt actual for the prior year. If this figure is proven correct it will be the highest annual tonnage exported for over 10 years. Planted area was approx. 7% higher and generally yields were good. Weather affected harvests on the east coasts and in the west of the lower North Island. Some crops were lost and others damaged. Markets were sluggish due to essentially better Northern Hemisphere crops so by the half way point of June 30th, export shipments were 11,000 mt less than the prior year. European shipments in particular were down 12%. The forecasted calendar year end tonnage is therefore a credit to the resilience of the industry. New markets have been initiated and more mature ones expanded particularly in Asia. Overall FOB earnings to June 30th 2017 were steady on \$112 Mil which was a pleasing result given the lower tonnage.

Coffee Club

This important, informal forum for exporters is facilitated by ONZ and meets regularly to update and share information on market and industry activities. Meetings have been well attended and discussions are cooperative and informative notwithstanding the underlying competitiveness of the business.

Communications

Since January, we have published "The Skin" newsletter on a weekly basis. We try to ensure the content is onion specific and of direct relevance. All members are encouraged to update their contacts and access as this will continue to be our primary means of informing the Industry.

We have also made a particular effort to provide growers with workshops and information around the R&I portfolio of work.

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CEO's Report



Wider industry sector engagement

We have worked very effectively with HortNZ and other horticulture product groups during the year. New Zealand Apples and Pears Inc for example have facilitated our participation in the forthcoming Beijing FVF fair in November. GIA has required a high degree of cooperation between all Horticulture groups and for ONZ with vegetable groups in particular. There are also certain areas where we rely heavily on HortNZ's expertise particularly around Labour and Natural Resources. We remain supportive of Vegetable District Associations' efforts to manage local issues at the local level.

Review – key objectives

Each year I seek to summarise key objectives for the year ahead.

Key areas of focus for 2016/17 - review

- Further develop ONZ communications with members. **ACHIEVED**
- Develop an Operational Agreement (OA) with MPI under GIA. **WELL PROGRESSED/WIP.**
- Consult and secure a vote of approval for the introduction of a Biosecurity levy set at zero. **WELL PROGRESSED/WIP**
- Secure additional leveraged funding from external sources for R&I. **PARTLY ACHIEVED/WIP**
- Pursue the industry's strategy for gaining entry to the Chinese market. **ADVANCED SIGNIFICANTLY.**
- Improve the industry's preparedness for the looming increase in food safety compliance. **PROGRESSED.**

Key areas of focus for 2017/18 - projected

- Complete a sector Operational agreement for Onions under GIA
- Introduce a biosecurity levy set at Zero
- Develop the concept of NZ Onions as a high value, sustainable healthy export food item.
- Participate and maximise the ONZ role in the industry PGP project.
- Obtain a clear and unambiguous prioritisation from MPI for Onion phytosanitary access to China.
- Work with MPI to introduce a practical Government/Government food safety regime
- Engage with Mfat to ensure tariffs on onions to the EU are eliminated under a new FTA

Specific acknowledgements

Jane Adams, R&I Manager and James Kuperus, Business Manager have both made huge contributions to the increased output of ONZ during the year. Guy Hilson has again chaired the Coffee Club with insight and Grant Ryan has generously chaired the ONZ R&I subcommittee. We also acknowledge the support of BNZ Partners/Peter Butler and Campbell Tyson/Lincoln Sharpe for again generously providing excellent meeting room facilities.

Finally my thanks to all members - growers, exporters and associates who have engaged and supported the industry body.

Michael J Ahern

Chief Executive Officer
Onions New Zealand Inc.

Onions New Zealand Incorporated Research and Innovation



Research strategy

Early in the year the ONZ Research Strategy was revised to align with the refreshed Onions Industry Strategy; its objective is now to 'Increase the Profitability of Onions'.

The new strategy has two themes:

Theme 1: Enable market growth; this includes projects to support market access, market demands, local and international requirements and also biosecurity.

Theme 2: Improve the profitability and sustainability of onion production and exports.



Research projects focused on onion specific research are managed through ONZ Research and Innovation subcommittee, whilst the Vegetable Research & Innovation Board supports research projects on topics common to vegetable crops. Approximately 30% of the ONZ budget is spent on research activities.

ONZ Research and Innovation subcommittee

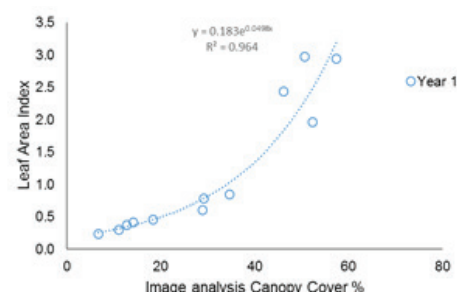
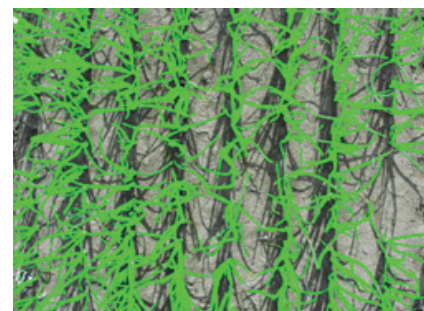
The subcommittee is managed by Dr Jane Adams and chaired by Grant Ryan. Committee members are Paul Munro, Brent Wilcox, Rob Cox, Eamon Balle and the CEO. A review of the committee membership and function is underway with aim of improving grower and exporter representation.

Key achievements of this subcommittee in 2017:

- Secured \$322K from Plant and Food Research Strategic Science Investment Fund (SSIF) for onion research. This will support fundamental research on onion soil borne diseases and onion quality. A case is being prepared for further funds for research into onion dormancy and alternative (to MH30) methods to suppress sprouting.
- Managed SFF project: "Enhancing the profitability and value of New Zealand onions" Tools have been developed to monitor, map and quantify impacts of variations in onion yields across a field. The project has also improved understanding of causes of variation and yield loss. The concept of management actions zones (MAZ) was developed and tested this past season, as were and models for early estimation of final yields.

Results have been disseminated through grower focus groups in Hawke's Bay and a workshop in Pukekohe in May which attracted 45 participants. Results have also been published in several NZ Grower articles and through presentations at LandWISE Conference in May and 7th Australasian-Pacific Precision Agriculture Conference, October 2017.

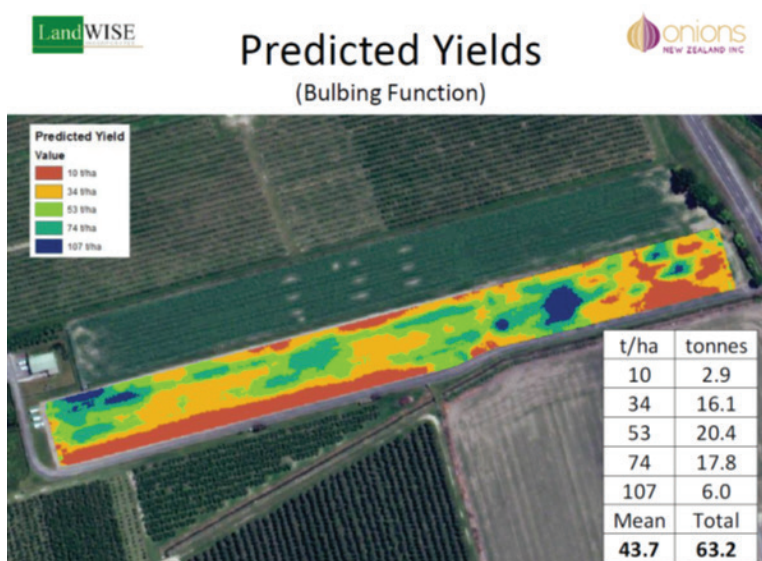
The committee approved plans for the third and final season of the project, which include trials based in Pukekohe, Hawkes' Bay and Canterbury and secured co funding of \$160,000 from MPI for this phase of the project.



We can predict how much leaf there is from digital imagery. This means we can start to map the growth in a field

Onions New Zealand Incorporated Research and Innovation

- Supported research projects on management of cadmium in New Zealand vegetable and arable/ pasture crops (Landcare Research). Cadmium concentrations in onions collected from major growing regions were variable with some samples approaching the Codex and European Food Standard limits. The project this year is focused on understanding soil and plant interactions that influence cadmium uptake in vegetable and arable crops.
- Funded a project on seed vigour and impacts on seedling establishment and uniformity (Plant and Food Research). This has highlighted seed characteristics that influence seedling vigour.
- Developed a guide to heavy metal limits and updated the guides to MRLs and withholding periods for export onions for 2017- 18 season.
- Funded a review of the technical datasheets in the IPM manual: “Best Practices for Integrated Pest management in New Zealand Allium Crops”.
- Contributed funds for a coordinated submission to EPA to support the continued use of paraquat and diquat herbicides.
- Managed the award of Onion Industry Postgraduate Scholarships. Onions New Zealand and Seed and Field Services Ltd supported two postgraduate students this year through the Postgraduate Scholarship: Jiffinvir Singh Khosa, University of Otago, to study genomic selection of adaptive traits in onion and Melodie Lindsay, University of Auckland, to investigate the potential of edible mushrooms as a novel product of onion waste. Both students produced articles for NZ Grower, presented at the ONZ Research Workshop in May and provided updates for the ONZ Newsletter.
- Contributed to the New Zealand Global GAP National Technical Working Group and to the development of National Guidelines for GRASP. Organised meetings with onion industry members to discuss implementation of GRASP.
- Organised a Research Seminar to run prior to ONZ AGM.



Potential Yield Map generated from canopy cover map created from CoverMap data at bulbing and relationships between canopy cover and yield used in the On-line Tool at www.smartfarm.nz

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Research and Innovation

VR&I Board

This board is chaired by Stuart Davis (Vegetables New Zealand Inc). Paul Munro leads the ONZ representation at these meetings supported by Jane Adams as appropriate.

Activities supported through this Board in 2017 include:

- Funded project to maintain an ongoing agrichemical strategy for the vegetable industry. Also attendance at Codex Committee on Pesticide Residues and Global minor use workshop 2017.
- Contributed to MBIE project 'Maximising the value of irrigation'. This involves on farm research to assess how irrigation can affect financial and environmental performance. Results published in NZ Grower (March 2107).
- Contributed to SFF project 'Root zone reality'. Lead by Plant and Food Research this project is monitoring a network of lysimeters to assess nutrient leaching in major vegetable growing regions, including Pukekohe and Waikato.
- Contributed to SFF project 'Nitrogen Quick Test'. Lead by Plant and Food Research this project is developing a simple test for growers to quickly measure soil nitrate levels.
- Contributed to SFF project 'Don't Muddy the Water'. Lead by AgriLink this project is monitoring methods for sediment control.
- Funded project 'Managing Biosecurity Risks'. Managed by Market Access Solutions this provides on-going monitoring of biosecurity performance at the border.
- Initiated and supported an application for a PGP (Primary Growth Partnership) programme 'Sustainable pest and disease management for horticulture' which will focus on managing pest and disease resistance, registration of biopesticides and new synthetic pesticides for minor crops. This project now has stakeholders from across the horticulture industry and the business case required by PGP Board is being coordinated by HortNZ.

Dr Jane Adams

Research and Innovation Manager
Onions New Zealand Inc.

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Biosecurity



Import Health Standard (IHS) for Onions

China onions IHS: After years of occasionally confused engagement, MPI issued the IHS for Chinese onions in December 2017. An export plan was finalised by March 2017 and the first shipment of 10mt was cleared under this protocol in August 2017. Surprisingly, the consignment arrived peeled and chilled and not as dry skinned bulbs as anticipated. ONZ will monitor this business to ensure MPI audits and inspects in accordance with the terms of the IHS and the export plan. At the heart of this is ensuring biosecurity protection for the New Zealand Onion industry.

Government /Industry Agreement on Biosecurity (GIA)

Onions New Zealand signed the GIA deed on 9th October 2015.

Operational agreement(s)

Three Operational Agreements (OAs) have been signed between MPI and sector groups. These are the Fruit Fly, the Brown Marmorated Stink Bug and the Kiwifruit sector agreements. Onions are not a party to any of these agreements. Additionally these agreements are conditional on several important unresolved “sticking points” which can only be resolved by MPI/ Government. The most significant of these issues are a) liability for actions taken in a response, b) the cost recovery mechanism from non-signatory beneficiaries and c) compensation coverage and cost.

ONZ (and other groups) have expended significant hours on GIA. It's fair to say the dynamics are more complex than Government policy makers ever anticipated.

We remain committed to developing a quality agreement for our sector but in a patient, careful manner. We are seeking a mandate at the 2017 AGM to proceed to enter into appropriately designed OA(s) based on the knowledge now acquired and with appropriate professional and legal support.

Our current favoured position is to complete a sector agreement covering pests and diseases of critical importance to Onions with provisions for activity and cost sharing with relevant other sectors.



Onion Fly
(*Delia Antiqua*)



Black Onion Fly
(*Tritoxa flexa*)

Biosecurity Levy

The ONZ board has recommended the introduction of a Biosecurity levy set at zero. A consultation document has been prepared and has been circulated to all growers. It has also been discussed during the August round of regional visits. Provided a mandate is granted at the AGM 2017 for ONZ to enter OA agreement(s), this levy will then be voted on under the same terms as for a commodity levy, i.e. 50% by grower entity and 50% by size based on planted Ha's.



The GIA Deed Governance Group

Onions New Zealand's Market Access objective is to increase New Zealand onion exports to 330,000 tonnes by 2025.

Indonesia:

A record volume was finally shipped this season of which we can all be very satisfied. While ONZ are seeking ways to secure more reliable long term access, all participants should be clear that the market has an inherent element of unilateral decision making by Indonesian official bodies, so this record was achieved with some delicate access negotiations.



The Country Recognition Agreement (CRA) expired in December 2016 causing a lot of uncertainty for several New Zealand export sectors. The CRA remains unsigned but trade has been allowed to continue as an extension of the prior Agreement.

On the 30th of May exporters and ONZ received word that Pre-Shipment Inspection sampling requirements were changing in a complicated way. This was followed in July by a "ban" on second semester import volumes of all onions. In the end ONZ, working with NZ officials, was able to have imports reinstated. A further complicated discussion ensued around possible sizing limitations. Again the net position reached was that New Zealand brown onions could continue to be imported essentially without size restriction. For reds a minimum size of 50mm was imposed. ONZ relationships within the NZ Embassy in Jakarta and also with senior Ministry of Foreign Affairs & Trade (MFAT) officials in Wellington was invaluable during these months. The support of MFAT was exemplary and greatly appreciated.

China:

China is ONZ's number one priority for phytosanitary market access. The board and management believes that gaining access to China would be transformational and fits perfectly with the overarching strategic plan for the industry. However, China is constantly presented with an overwhelming number of such access requests from global producers. New Zealand alone has 10 horticulture products seeking MPI's support. These have to be balanced with other primary sector interests. So just as China has a policy of considering requests in a prioritised manner so too must MPI. New Zealand, via MPI and PMAC, has created a process to do this which takes into account the potential size and value of the market for NZ and any political issues surrounding the product.



Until now, for complex reasons, MPI have considered the longstanding issue of Chinese onion access to NZ an impediment that pragmatically lowered our prioritisation ranking. As of 27 March 2017, this political impediment has been removed and ONZ will draw attention to this when it resubmits its application for prioritisation consideration in March 2018. This application will also be coupled with a comprehensive independent study of the market potential, a list of both New Zealand's and China's pests and diseases, information from potential importers and other pieces of anecdotal evidence. ONZ will also follow its inaugural market scouting tour of August 2016 with participation on the NZ stand at the Beijing Fruit and Vegetable Fair in November 2017. This fair has a high degree of official Government plant quarantine interface. Other NZ participants will be New Zealand Apples and Pears, Zespri, NZ Avocados, Plant and Food Research, and T&G Global. Realistically, access to China will be a medium term project requiring constant industry investment. That having been said, we are much further progressed from our zero position of two years ago.

Russia

In 2016 Russia signalled that it intended to change the import requirements for a number of products, including onions. Early in 2017 ONZ received the detail of the amendments with onions then needing to be free of many non-host pests and diseases. ONZ engaged with MPI to challenge these onerous requirements but have little response or willingness to review. Reality therefore has dictated that we put in place measures to ensure the onions we are exporting to Russia are free of the detailed pests and diseases that Russia has listed. These measures have not yet been fully accepted. However we feel our submissions have a good chance of success and that manageable measures will be in place to allow exports to continue. In the meantime, ONZ will continue supplying a scientific based argument to have the more unreasonable conditions lifted.

Myanmar

ONZ has submitted a request to have a pest risk assessment completed for Myanmar. Providing no critical pests are identified, New Zealand should get phytosanitary market access to Myanmar. Myanmar has acknowledged receipt of the information but the timeline is uncertain for the process to be completed.

Vietnam

As of February 2017, New Zealand onions via ONZ submissions gained phytosanitary market access to Vietnam. This was initiated by a collaboration between two exporters and ONZ in 2014 to send a trial shipment to Vietnam. This established an historical trade which subsequently assisted MPI in reaching agreement with Vietnam not to seek a full pest risk analysis by way of a very time consuming and expensive process. We are very appreciative of MPI's efforts.

In July the ONZ board approved a market scoping visit by Business Manager James Kuperus. This was supported by NZTE, MFAT and various exporters. The report of this visit has been published in The Grower magazine and is available in full on the ONZ web site or directly from ONZ. It is with great satisfaction that some shipments have been made this season and with careful management and the right marketing strategy as outlined in the report, we are quietly confident export tonnage can grow.



India

ONZ has met with the lead negotiator for the NZ-India Free Trade Agreement (FTA) and the Regional Comprehensive Economic Partnership FTA to inform him of the potential of this market for New Zealand onions. This particularly if the negotiators were to succeed in having the current tariff of 30% reduced and /or removed.

Some years under certain market circumstances, a 30% tariff may be manageable. ONZ has therefore also begun discussions with MPI to determine if the fumigation requirements for India can be removed.

Australia

The smut code of compliance package developed by ONZ for the industry is now seen as a success. Building from this, we have joined with MPI in talks to include specific regions in the Waikato as eligible for export to the market. This is in the early stages but looks encouraging. Meantime smut control is an increasingly urgent matter not only with respect to Australia. All growers are strongly urged to adopt this code and the various steps outlined in the communications.

Europe

With the recent announcement by European Commission President Jean-Claude Juncker that the EU will likely open free trade negotiations with Australia and New Zealand later this (2017) year, ONZ will fully engage in this matter. We have already made submissions to the negotiating team in Brussels and are well connected with key negotiators there and in New Zealand. This is a very encouraging and long-awaited development for our industry and is potentially worth NZD\$6-8 mill per year.

TPPA 11

Should this proceed, onions would gain tariff relief in Japan of about NZD\$1.0 mill per year while missing out on very little by way of USA trade. We have supported NZ within the TPPA and will continue to do so under TPPA 11.

Tasmanian freight subsidy

We continue to quietly support the initiative HEA has taken up with MFAT on this matter. As the origin of competing onions in export markets we are of the view this subsidy is non-WTO compliant.

Other markets

Onions NZ is looking to continue to collaborate with exporters to send shipments to markets where NZ does not have historical trade. These are markets where there are no official phytosanitary protocols in place such as Cambodia and Laos.



Onions New Zealand Incorporated

Key Industry Statistics



Onion Exports as of week 37 (mt)							
*Destination	2011	2012	2013	2014	2015	2016	2017
Belgium			12,983	15,596	14,392	24,585	14,636
France			6,757	10,038	9,846	8,327	7,413
Netherlands			35,397	29,977	31,505	18,522	26,704
Germany			14,127	11,919	15,790	19,824	11,808
Europe / Other			4,836	5,221	4,320	5,896	7,188
Europe Total	57,796	59,177	74,099	72,749	75,853	77,154	67,749
United Kingdom	19,532	10,868	14,217	13,849	8,228	8,596	3,492
USA		1,164	3,721	5,859	564	530	730
Japan	12,778	25,179	8,366	19,320	18,373	16,885	24,125
Taiwan	507	7,168	5,018	3,230	6,993	7,866	14,327
Hong Kong	1,443	3,608	3,643	3,545	3,181	3,667	2,966
Indonesia	14,345	15,491	11,960	23,997	21,468	32,594	36,819
Malaysia	7,990	17,356	29,713	15,887	13,082	10,239	11,781
Singapore	1,408	3,413	3,429	2,994	2,488	2,955	1,506
Pacific Islands	11,588	12,929	12,934	13,199	15,168	14,220	15,271
Australia	443	287	352	509	6	26	345
Other	439	2,266	3,259	1,432	1,830	2,669	823
Total Tonnes	128,269	158,906	170,714	176,569	167,234	177,400	179,934

Onions New Zealand Incorporated

Key Industry Statistics



	AREA PLANTED - HECTARES											2014		2015		2016	
	2005	2006	2007	2008	2009	2010	2011	2012	2013	Brown	Red	Brown	Red	Brown	Red	Brown	Red
Northland/Auckland	3.5	Nil	1.3	1.5	1.7	2.3	2.8	2.5	2.5	2.0	0.7	1.7	0.8	1.4	0.7		
Pukekohe	2,732.0	2,900.0	3,164.0	2,496.0	2,711.0	2,835.0	2,744.0	2,358.0	2,285.0	2,141.7	418.6	1,688.5	272.5	1,896.2	411.5		
Waikato/Bay of Plenty	18.5	32.0	25.0	614.0	576.0	549.0	661.0	960.0	1,052.5	588.5	32.0	971.7	123.6	927.8	89.0		
Gisborne										0.0	0.0	0.0	0.0	0.0	0.0		
Hawkes Bay	437.5	520.0	621.4	638.0	584.5	656.0	714.0	728.6	732.0	667.0	37.5	710.0	49.0	762.0	51.0		
Wanganui	Nil	2.0	1.0	2.0	Nil	Nil	Nil	Nil	Nil	0.0	0.0	0.0	0.0	0.0	0.0		
Taranaki to Manawatu	211.5	334.0	186.3	156.0	169.0	259.0	258.0	241.0	256.0	201.5	3.5	144.5	4.5	169.5	3.0		
Horowhenua	203.5	229.5	189.0	74.0	69.5	81.0	93.0	99.0	106.0	77.1	19.9	72.5	17.0	74.0	15.4		
Marlborough/Nelson	18.0	4.5	14.0	22.0	34.0	29.5	41.9	40.5	33.5	19.2	12.5	21.0	14.0	23.5	16.5		
Canterbury	709.0	843.5	750.0	674.0	681.6	707.0	748.6	870.2	771.2	682.9	29.1	779.9	23.7	751.4	32.1		
Total	4,333.5	4,865.5	4,952.0	4,677.5	4,827.3	5,118.8	5,263.3	5,299.8	5,238.7	4,379.9	553.8	4,389.8	505.1	4,605.8	619.2		
Processing (all areas)							70	40	40	42.0		0.0		10.0			

Onions New Zealand Incorporated Minutes



MINUTES of the 12th Annual General Meeting of Onions New Zealand Incorporated held at the ED Street, Portobello Room, 27 Edinburgh Street, Pukekohe on Wednesday 19 October 2016, commencing at 5.30pm.

PRESENT: Michael Ahern, Bryce Simpson, Howe Young, Allan Noble, Roger Flatz, Martin Tribe, Gus Ross, Kevin Wilcox, Ray Ellis, Paul Coppock, Helen Marriner, Guy Hilson, Paul Apatu, Kelvin Bezuidenhout, Brent Wilcox, Daniel Sutton, Peter Butler, Brett McDougal, Amrat Bhana, Martyn Callaghan, Jayant Master, Bharat Bhana, Dean Pye

Also in attendance: Dr Jane Adams (ONZ Research Manager)
James Kuperus (ONZ Business Manager)
Martin Harvey (Part of)

APOLOGIES: Chris Nicholson, Rainsford Horrocks, Wellingford Wai Shing, Bernard Boyce, Dennis Fong, Olivia Wilson, Dacey Balle, Kirit Makanara, Phil Bird, Simon Vale, Anya Thomas, Michael Croft, Emma McCracken, Murray Turley, Lance Roper, Tony Howey, Paul Munro

PROXIES:

- Tony Howey held by Dean Pye
- Murray Turley held by Dean Pye
- Lance Roper held by Dean Pye
- Emma McCracken held by Dacey Balle

REMITTS

None received or tabled

MATTERS ARISING

Nil

INDEPENDENT CHAIRMAN'S REPORT (Year end 30 June 2016)

The Chairman's report was taken as read. He reflected on his first year in the role and the key highlights over the past year, and commented on the difficulties of portraying the industry to external stakeholders. ONZ has done some good work this year working with MPI, MFAT and other officials around Wellington but needs to continue its work there.

It was moved that the Chairman's report was received. All were in favour.

CEO's REPORT

The ONZ CEO made special mention of the AGM speaker Martin Harvey and the importance he has for the industry. Martin represents NZ's interests on the front line in a lot of negotiations including the EU FTA. An error in the CEO's report was corrected that the budget is based on 175,000 tonnes instead of 150,000 as in the papers. The CEO thanked Dr Jane Adams for her continued work for ONZ in research and innovation, James Kuperus and Matthew Spence for the 11 years he gave to the industry.

It was moved that the CEO's report was received. All were in favour.

Onions New Zealand Incorporated Minutes



PREVIOUS MINUTES

IT WAS RESOLVED that the minutes from the 11th AGM held on 22 October 2015 are a true and correct record.

R. Ellis/J. Master

DRAFT BUDGET

The 2016/17 budget has been approved by the ONZ Board and brought to the AGM for approval. The budget is based on 175,000 export tonnes.

It was clarified that \$12,000 was for the accountant's fees and that \$4,000 was for the audit.

Moved that the draft budget be accepted.

M. Tribe/ A. Noble

AUDITED ANNUAL ACCOUNTS

This is the first set of financial accounts through Campbell Tyson using the export figures from Customs NZ. 90% of exports are choosing to pay the voluntary marketing fee.

Motion 1

IT WAS RESOLVED that the audited financial statements for the year ended 30 June 2016 be approved.

P. Apatu/ A. Noble

ONZ SUBSCRIPTION/FEES & LEVIES FOR 2016/2017

The CEO advised the attendees that under Clause 5.1 of the Constitution the ONZ Board recommended that the fees for 2016/17 be as follows:

- | | |
|--|----------------|
| (a) Joining Fee | Nil |
| (b) Subscriptions | |
| Growers | Nil |
| Exporters | \$100 plus GST |
| Associates | \$250 plus GST |
| These to be payable by 31 December 2016. | |

(c) Voluntary Levy

- (c) \$1.00 + GST per tonne payable by Marketing Organisation members

These to be remitted by exporter members who are entitled to deduct a collection fee of 4%.

Motion 2

IT WAS RESOLVED that the ONZ Subscription/fees and levies for 2016/17 be approved.

K. Wilcox/ B. Simpson

All in favour.

Onions New Zealand Incorporated

Minutes



COMMODITY LEVY

Motion 3

IT WAS RESOLVED that the commodity levy for fresh and processed onions for the coming levy year (1 December 2016 – 30 November 2017) remain at \$2.50 per tonne or part thereof.

G. Hilson/ J. Master

All in favour

APPOINTMENT OF AUDITOR

Horticulture NZ and the associated product groups went out to tender, to seek a new auditor. The Board recommends that BDO be appointed as the auditor for the 2016/17 accounts.

Motion 4

IT WAS RESOLVED that BDO be appointed auditors for the financial year ended 30 June 2017.

D. Pye/ J. Master

All in favour

CONFIRMATION OF DIRECTORS

Directors retiring are:

- Dean Pye retiring by rotation and seeking re-election (Grower)
- Guy Hilson retiring by rotation and seeking re-election (Exporter)
- Kevin Wilcox retiring by rotation and seeking re-election (Exporter)
- Martin Tribe retiring by rotation and not seeking re-election (Exporter)

The following Directors were elected to the ONZ Board uncontested: Dean Pye, Guy Hilson, Kevin Wilcox and Helen Marriner.

CONSTITUTION

The ONZ Board decided that the activities and decisions made were more reflective of a Board of Directors than an Executive Committee. As such, the Constitution has been amended and sent out.

Motion 5

IT WAS RESOLVED that the Constitution and Rules of Onions New Zealand Incorporated be amended, and that the new Rules be effective from the conclusion of the AGM.

O. Symmans/ R. Ellis

GENERAL BUSINESS

The CEO of ONZ took the time to thank Martin Tribe for the time and effort he has put in over the years to the NZ onion. Martin has been on the ONZ Board for 13 years from the days when it was the exporters and shipping foundation.

Martin took the opportunity to thank everyone in the industry that he has been apart of for the last 34 years. He acknowledged the tiresome work that Mick's and the Board has put in over the years & took the time to emphasise that there needs to be greater involvement from growers with ONZ. If we can't get the industry working together going, then we are going to struggle going forward.

Onions New Zealand Incorporated Minutes



GUEST SPEAKER (Martin Harvey, Director-Trade Negotiations, MFAT)

The Chairman welcomed Martin Harvey to speak.

Martin thanked everyone for the opportunity to speak at the AGM. His speech highlighted:

- The government is undertaking a refresh of the trade policy, which was written 20 years ago.
- If the TPP and the EU-NZ FTA are put in place, then NZ will have 80% of trade covered by FTAs.
- NZ needs to go beyond tariff reductions for trade agreements.
- At the WTO Doha round, there was common agreement that subsidies on agriculture will be removed.
- NZ is shifting focus to Non-Tariff Measures, but tariffs is still on the agenda.
- Focussing on the implementation of FTAs now.
- Negotiators are not so good at asking industries what they want from FTAs.

Where NZ is at in trade negotiations:

- TPP is going through the ratification process in NZ. It should be back from the select committee at the end of 2016.
- EU: NZ has been getting in a position to begin talks with the EU for over 7 years. Talks should begin by mid-year 2017. They're struggling to ratify the Canada-EU FTA.
- Regional Comprehensive Economic Partnership (RCEP): Some key players in this agreement. If TPP goes through RCEP will be likely to go through as well.

Mr Harvey opened the floor to questions.

Q. What can we do to help MFAT understand what we do?

A. Keep doing what you are currently doing. ONZ profile in Government is much higher than it used to be.

Q. We have a competitive advantage with China over seasonal supply. What is halting our access?

A. There are issues around phytosanitary access

Q. Could it be argued that their delay in access be considered a trade barrier

A. Not as such, they have limited resources just like us.

Q. What is our relationship with Indonesia, what is our risk in this market?

A. We've gone through a bad phase and it has led to unpredictability in this economy. Typically very protectionist. It is a market you should build carefully.

CEO thanked Martin for coming along at such short notice.

Read, approved as a true and correct record and signed

this day of2017

CHAIRMAN

Onions New Zealand Incorporated

Draft Budget 2017/18 YE June



Income	2017/18 Budget		2016/17 Year End	2016/17 Budget
Membership Fees	7,500		6,650	5,900
Domestic Commodity Levy	75,000		83,369	75,000
Export Commodity Levy	448,000	*	426,997	437,500
Process Commodity Levy	8,750		8,290	8,750
Marketing Organisation Levy	161,202		153,980	157,500
MPI SFF grant				
AGM/ Research Seminar Sponsorship	5,000		0	0
Research Education Trust sponsors	5,000		2,750	8,000
Sundry	2,200		0	2,200
Interest on reserves	24,000		19,783	22,000
Less collection fee	-21,270		-23,617	-29,190
Total Income	715,382		744,452	687,660

Expenditure	2017/18 Budget		2016/17 Year End	2016/17 Budget
<i>Industry Leadership</i>				
HortNZ Business Management Charge	62,000		56,350	60,000
HortNZ Business Management Charge (incr provision)	10,000		0	0
Chief Executive Officer	80,000		77,916	75,000
CEO Expenses	10,000		9,167	8,000
Independent Chair	25,000		25,000	25,000
Independent Chair Expenses	3,000		416	3,000
Consultancy (Strategic)	0		24,250	15,000
2 Grower Seminars and AGM	15,000		5,586	5,000
Director Expenses	6,000		10,627	6,000
Director Fees	0		0	0
Travel Expenses	8,000		10,512	3,000
HortNZ Industry Forums & Vegetable Chairs Forums	3,000		4,108	2,000
	222,000	31%	223,932	202,000

	2017/18 Budget		2016/17 Year End	2016/17 Budget
<i>Administration of ONZ</i>				
Printing/ Stationery/ Postage	9,000		9,554	7,000
Telephone & Tolls	1,500		1,725	3,000
HortNZ Office Overheads	9,000		6,159	8,095
Legal Expenses	1,500		922	1,500
Audit & Tax	4,000		9,630	5,500

Onions New Zealand Incorporated

Draft Budget 2017/18 YE June



	2017/18 Budget		2016/17 Year End	2016/17 Budget
Accountancy Fee	11,150		12,783	12,000
Bank Fees	350		155	350
General Expenses	1,500		5,346	1,500
Membership Database Upgrade	0		12,040	12,000
Online Levy Collection Tool	0		0	7,000
Website Maintenance	3,000		2,194	5,000
ONZ Newsletters (The Skin)	1,000		43	1,000
Grower Magazine Contribution	7,000		7,083	8,500
ONZ Photography	1,500		0	800
Vegetables.co.nz	10,000		10,000	10,000
District Association Grants	8,000		4,200	8,000
	68,500	10%	81,834	91,245

<i>Export Market Access & Development</i>	2017/18 Budget		2016/17 Year End	2016/17 Budget
Sustainable Production Project Scope	2,500		0	0
Sustainable Production Project	12,000		0	0
Government Relations	4,000		0	0
China Market Sizing	55,000		35	0
Asian Market Mapping & Travel	10,000		0	0
China Market Intelligence	3,000		818	15,000
Food Safety Project	5,000		0	0
Asia (unspecified)	0		10,049	20,000
Australia (Consultancy & Govt cost recovery fees)	3,000		1,799	3,000
Other market (Consultancy & Govt cost recovery fees)	7,500		44	0
China Trade Visit(s)	25,000		23,218	50,000
Trade Access Booklet	1,500		952	1,500
Coffee Club	500		296	500
New Markets Export Direct Support	8,000		3,998	10,000
NOA	700		639	400
AMI Weekly News & World Report	6,000		4,654	5,000
Surveys	4,000		2,001	2,200
National Technical Working Group (Global Gap)	5,000		680	3,000
Plants Market Access Council	2,800		3,070	2,800
Asia and Pacific Plant Protection	7,500		0	0
Market Access Travel General	5,000		0	0
	168,000	23%	52,253	113,400

Onions New Zealand Incorporated

Draft Budget 2017/18 YE June



<i>Biosecurity</i>	2017/18 Budget		2016/17 Year End	2016/17 Budget
GIA Readiness (cost under GIA)	10,000		3,072	0
Development of Allium Sector OA MAS	9,600		0	0
Administration of the Allium Sector OA	5,000		0	0
Biosecurity Waste Management	2,000		0	0
Engagement with MPI over Border Interceptions MAS	2,000		0	0
GIA representation MAS	0		5,200	6,900
Onions biosecurity management plan MAS	12,000		21,620	23,100
Biosecurity Levy preparation MAS	3,000		5,670	9,600
IHS general advice MAS	3,000		4,050	3,000
Freshpac WG China IHS MAS	1,000		1,643	3,000
Freshpac core group rep MAS. Shared cost	1,500		1,500	1,500
Biosecurity extension	2,000		0	0
Onion Pest List Maintenance	700		0	700
Travel & Meetings	2,500		3,387	2,500
Crisis Management plan	1,000		0	1,000
	55,300	8%	46,142	51,300

<i>Industry Research & Innovation</i>	2017/18 Budget		2016/17 Year End	2016/17 Budget
VR & I Board Admin	15,053		13,918	13,656
VR & I Board Leveraged Research	53,120		32,313	35,030
ONZ R & I Sub Committee	1,500		294	3,500
MPI SFF (net)	64,100		62,000	59,500
Cadmium Project	5,000		5,000	5,000
Onion Smut Field Trials	3,600		0	0
Soil borne disease and plant establishment project	25,000		25,500	25,000
IPM manual update	3,000		0	5,000
Export onion MRL (MPI) and PHI (P&FR) updates	1,000		1,984	1,000
ONZ Research Manager	53,100		53,100	53,100
ONZ Research Manager Expenses	6,060		6,060	6,549
Research Education Trust	16,000		12,867	10,000
	246,533	34%	213,036	217,335

	2017/18 Budget		2016/17 Year End	2016/17 Budget
Total Expenditure	760,333	106%	617,197	675,280
Surplus/(Deficit)	-44,951	-6%	61,008	12,380

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

Contact details

Physical Address: Level 4
Co-Operative Bank House
20 Ballance Street
Wellington 6011

Postal Address: P O Box 10232
The Terrace
Wellington 6143

Phone/Fax: Ph +64 508 664667

Email/Website: www.onionsnz.com

Onions New Zealand Incorporated

Statement of Financial Performance



For the year ended 30 June 2017

REVENUE	Note	Actual 2017 \$	Actual 2016 \$
Levies	1	642,694	712,684
Subscriptions		6,650	6,284
Grants	2	151,251	118,350
Research Education		2,750	8,000
Process Onions		8,290	5,210
Sundry Income		-	1,009
Interest		19,783	24,759
Total Revenue		831,418	876,296

EXPENSES	Note	Actual 2017 \$	Actual 2016 \$
Industry Leadership		223,933	180,761
Administration Fees		76,760	59,393
Market Access		52,255	46,218
Biosecurity		46,142	4,215
Industry Research & Development		366,244	310,236
Total Expenses	3	765,334	600,823

	Note	Actual 2017 \$	Actual 2016 \$
Operating Surplus/(Deficit) for the Year before Tax		66,084	275,473
Taxation Expense	4	5,076	6,368
Net Surplus/(Deficit) after Tax		61,008	269,105

Onions New Zealand Incorporated

Statement of Financial Position



As at 30 June 2017

ASSETS	Note	Actual 2017 \$	Actual 2016 \$
Current Assets			
Bank accounts and cash	6	554,148	525,874
Investments	7	700,000	600,000
Debtors and prepayments	8	135,382	152,616
Accrued Levies		-	64,285
Income Tax Receivable	5	2,149	1,309
Total Current Assets		1,391,679	1,344,084

LIABILITIES	Note	Actual 2017 \$	Actual 2016 \$
Current Liabilities			
Creditors and accrued expenses		54,552	82,433
GST Payable		60,754	46,286
Total Current Liabilities		115,306	128,719

Total Assets less Total Liabilities (Net Assets)		1,276,373	1,215,365
---	--	------------------	------------------

EQUITY	Note	Actual 2017 \$	Actual 2016 \$
Capital Reserve		150,000	150,000
Retained Earnings	9	1,126,373	1,065,365
Total Equity		1,276,373	1,215,365

OWEN SYMMANS ONZ Inc.
ONZ Inc. Chair & Director
Dated 18 September 2017

KEVIN WILCOX ONZ Inc.
ONZ Inc. Vice Chair & Director
Dated 18 September 2017

Onions New Zealand Incorporated

Statement of Accounting Policies



For the year ended 30 June 2017

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 apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000 with the exception of preparation of a Statement of Service Performance and Statement of Cashflows. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

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 in profit or loss represents the estimated current obligation payable to Inland Revenue. Taxation expense is accrued in the period to which the obligation arose. Tax is calculated in accordance with IRD rates.

Bank Accounts and Cash

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

Levy Revenue

Levy fees are recognised in the period to which they relate to.

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

Debtors

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

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.

Onions New Zealand Incorporated

Notes to the Performance Report



For the year ended 30 June 2017

Note 1: Levy Income

	\$This Year	\$Last Year
Direct Sales Levies	1,964	-
Domestic levies	83,369	97,148
Export Levy	426,997	465,490
Marketer Levy	153,980	179,234
Less Collection Fee	(23,617)	(29,188)
	642,694	712,684

Note 2: Research and Development Grants

	\$This Year	\$Last Year
MPI SFF Grant	151,251	118,350
	151,251	118,350

Research and Development Grants were received from Ministry of Primary Industries.
As at balance date all milestones associated with the grants had been met.

Note 3: Analysis of Expenses

Industry Leadership	\$This Year	\$Last Year
AGM/Grower Conference	5,586	1,354
Chief Executive Officer	77,916	75,000
Chief Executive Officer Expenses	9,167	8,233
Consultancy (Strategic)	24,250	-
Executive Expenses	10,627	7,160
HortNZ Industry Forums and Vegetable Chairs	4,108	2,600
Independent Chair	25,000	18,750
Independent Chair Expenses	416	695
Secretary Salary and Admin Support	56,350	60,358
Travel Expenses	10,512	6,613
Total Industry Leadership Expenses	223,933	180,761

Onions New Zealand Incorporated

Notes to the Performance Report



For the year ended 30 June 2017

Adminstration Expenses	\$This Year	\$Last Year
Accountancy Fees	12,783	12,000
Audit Fee	4,554	3,726
Bank Fees & Charges	155	67
Capitation & District Association Grants	4,200	4,373
General Expenses	5,346	1,925
Grower Magazine Contribution	7,084	6,932
Hort NZ Overheads	6,159	6,026
Legal Fees - Deductible	922	288
Membership Database Upgrade	12,040	-
ONZ Newsletters (The Skin)	43	-
Photocopying	6,185	1,883
Postage	2,182	3,728
Printing & Stationery	1,187	2,323
Telephone & Tolls	1,725	2,342
Vegetables.co.nz	10,000	10,000
Website - Maintenance	2,194	3,779
Total Administration Expenses	76,760	59,393

Market Access	\$This Year	\$Last Year
China Market Intelligence & Sizing	853	-
China Trade Visit	23,218	-
Exporter Meetings	296	-
Global GAP/NTWG	680	-
Market Access - Australia	1,799	5,954
Market Access - Asia	10,049	19,585
Market Access - Other	44	12,166
Market Intelligence - AMI	4,654	3,378
Market Intelligence - NOA	639	371
Market Intelligence - Survey Costs	2,001	2,349
New Market Access Support	3,998	-
Plants Market Access Council Membership	3,070	2,415
Trade Access Review Document	952	-
Total Market Access	52,255	46,218

Onions New Zealand Incorporated

Notes to the Performance Report



For the year ended 30 June 2017

Biosecurity	\$This Year	\$Last Year
Biosecurity Levy Preparation MAS	5,670	-
Freshpac Core Group MAS - Shared Cost	1,500	-
Freshpac WG China IHS MAS	1,643	-
GIA Preparedness	3,072	4,215
GIA Response	5,200	-
IHS Tech General Advise MAS	4,050	-
ONZ Biosecurity Management Plan MAS	21,620	-
Travel & Meetings - Biosecurity	3,387	-
Total Biosecurity Expenses	46,142	4,215

Industry Research & Development	\$This Year	\$Last Year
Export Onion MRL (MPI)	1,984	-
MPI SFF	215,208	174,414
ONZ Research Manager	53,100	53,100
Plant & Food Joint Funding (Nitrogen project)	-	23,500
R & D Sub Committee	294	2,922
R & I Board Administration	13,918	15,678
R & I Board Project Funding	32,313	28,421
Research Education Trust	12,867	5,652
Research Manager Expenses	6,060	6,549
Soil Borne Diseases & Plant Establishment	30,500	-
Total Industry Research & Development	366,244	310,236

Note 4: Taxation Reconciliation

	\$This Year	\$Last Year
Surplus/(Deficit) before Income Tax		
Current Year Earnings	66,084	275,473
Total Surplus/(Deficit) before Income Tax	66,084	275,473
Permanent Differences		
Non - Member Income Exemption	(1,000)	(1,000)
Non - Taxable Profit Relating to Members	(46,957)	(252,032)
Total Permanent Differences	(47,957)	(253,032)
Taxable Profit (Loss)	18,127	22,441
Tax Payable at 28%	5,076	6,284

Onions New Zealand Incorporated

Notes to the Performance Report



For the year ended 30 June 2017

Note 5: Taxation

Taxation	\$This Year	\$Last Year
Opening Balance	(1,309)	(1,253)
Increases		
Provision for Taxation	5,076	6,368
Refunds		1,003
Total Increases	5,076	7,371
Decreases		
RWT Paid	5,916	7,426
Total Decreases	5,916	7,426
Total Taxation	(2,149)	(1,309)

Note 6: Bank Accounts and Cash

	\$This Year	\$Last Year
BNZ Current Account	441,665	320,654
BNZ Call Account	112,483	205,220
	554,148	525,874

Interest is earned at 0.10% in the call account. As at balance date there were no overdraft facilities or any other banking arrangements in place with BNZ.

Note 7: Investments

	\$This Year	\$Last Year
BNZ Term Deposit - 01	300,000	300,000
BNZ Term Deposit - 02	200,000	300,000
BNZ Term Deposit - 03	200,000	-
Total	700,000	600,000

Note 8: Debtors and Prepayments

	\$This Year	\$Last Year
Trade Debtors	128,073	152,616
Prepayments	7,309	-
	135,382	152,616

Onions New Zealand Incorporated

Notes to the Performance Report



For the year ended 30 June 2017

Note 9: Retained Earnings

	\$This Year	\$Last Year
Opening Balance	1,065,365	796,260
Current Year Balance	61,008	269,105
Total Retained Earnings	1,126,373	1,065,365

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: Related Party Transactions

Southern Fresh Limited - Exporter

Balle Bros Group Limited - Exporter

Harvest Fresh limited - Exporter

Ellis Agrichemical Services Limited - Exporter

Produce Agencies Limited - Exporter

Master Produce - Grower

Pye Limited - Grower

AS Wilcox & Sons Ltd

Apatu Farms Limited - Grower

The above exporter/grower businesses have been identified as related parties due to directors on the board of those entities also being executive committee members on Onions NZ Incorporated. The transactions that have occurred between those entities and Onions NZ Incorporated are payment of levies. These transactions have occurred on terms and conditions no different to other levy payers.

Note 10: Commitments and Contingencies

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

Note 13: Prior Period Adjustment

Levy income was received in the 2017 year that related to both the 2015 and 2016 years. This has now been corrected in the 2016 comparatives resulting in an increase in total surplus for Onions New Zealand for 2016 of \$32,001.

	2016 Signed Accounts	Adjustments	2016 Comparatives
Revenue			
Domestic Levies	79,031	18,117	97,148
Marketer Levy	165,349	13,884	179,233
Financial Position			
Accrued Levies	-	64,285	64,285
Retained Earnings	1,001,080	64,285	1,065,365

Opinion

We have audited the special purpose financial statements of Onions New Zealand Incorporated (“the Society”), which comprise the entity information, statement of financial position as at 30 June 2017, 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 July 2017 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 the Statement of Accounting Policies 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.

Other Information

The directors are 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.

Directors’ Responsibilities for the Financial Statements

The directors are 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 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 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 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.

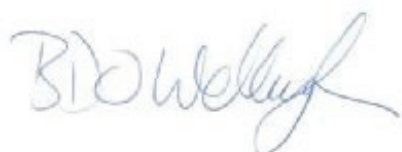
As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 management.
- 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.
- Evaluate 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 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.

A handwritten signature in blue ink, appearing to read "BDO Wellington", is positioned above the printed text.

BDO Wellington
Wellington
New Zealand
18 September 2017

The following motions will be considered by Onions New Zealand Inc. AGM held at the Indian Association Hall, Ward St, Pukekohe on the Wednesday 18th October 2017.

Motion 1

That the minutes of the Onions New Zealand AGM, held 19 October 2017, be taken as a true and correct record.

Proposed by the Onions NZ Board

Explanatory note

The minutes are included in the 2017 Onions NZ AGM papers, posted to all members and available at www.onionsnz.com

Motion 2

That the Chair's report for the year ended 30 June 2017, as published in the Onions NZ AGM papers, be accepted.

Proposed by the Onions NZ Board

Explanatory note

The Chair's report is included in the 2017 Onions NZ AGM papers, posted to all members and available at www.onionsnz.com

Motion 3

That the CEO's report for the year ended 30 June 2017, as published in the Onions NZ AGM papers, be accepted.

Proposed by the Onions NZ Board

Explanatory note

The CEO's report is included in the 2017 Onions NZ AGM papers, posted to all members and available at www.onionsnz.com

Motion 4

That the audited financial statements for the year ended 30 June 2017 be approved.

Proposed by the Onions NZ Board

Explanatory note

The audited financial statements are included with the 2017 ONZ AGM papers, posted to all members and available for download at www.onionsnz.com

Motion 5

That the ONZ Subscription/fees and levies for 2017/18 remain as per below;

- | | | |
|-----|---------------|----------------|
| (a) | Joining Fee | Nil |
| (b) | Subscriptions | |
| | Growers | Nil |
| | Exporters | \$100 plus GST |
| | Associates | \$250 plus GST |

These to be payable by 31 December 2017.

- (c) Voluntary Levy
(i) \$1.00 + GST per tonne payable by Marketing Organisation members

Marketing Organisation members are entitled to deduct a collection fee of 4%.

Proposed by the Onions NZ Board

Explanatory note

Clause 5.1 of the Constitution allows the Board to recommend for consideration by the Annual General Meeting, fees and subscriptions for the forthcoming year.

Motion 6

That the commodity levy for fresh and processed onions for the coming levy year (1 December 2017 – 30 November 2018) remain at \$2.50 per tonne or part thereof.

Proposed by the Onions NZ Board

Explanatory note

Under the above Order ONZ must set a levy rate by a vote at its annual general meeting for the subsequent levy year i.e. at the 13th AGM is for the levy year 2017-18 (1 December 2017 – 30 November 2018).

Motion 7

That BDO be appointed auditors for the financial year ended 30 June 2018.

Proposed by the Onions NZ Board

Explanatory note

BDO was awarded the contract to complete the audit for Horticulture NZ and its contracted organisations (including Onions NZ) for the 2016/17 financial year, and Onions NZ and Horticulture NZ recommend to continue the arrangement.

Motion 8

Members agree that Onions New Zealand Incorporated has the mandate to sign Government Industry Agreements for Biosecurity Readiness and Responses Operational Agreements on their behalf.

Proposed by the Onions NZ Board

Explanatory note

A description of what this mandate means has been provided in the consultation document with these meeting papers and circulated to all members.



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Lined area for notes, consisting of multiple horizontal lines.

