

# Potatoes New Zealand Inc. AGM Papers & Annual Report 2023





# Potatoes New Zealand Inc.

# Contents

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**2023 Chairman’s Annual Report** ..... **4**

**2023 CEO’s Annual Report** ..... **6**

**Industry Value Charts & Overview** ..... **8**

**2023 Summarised Data** ..... **10**

**Notices of Motion** ..... **15**

## Potatoes New Zealand Inc.

# 2023 Chairman's Annual Report

The 2022/2023 year has been challenging for many of our levy payers, particularly those in the northern half and eastern coast of the North Island. The almost continuous cycle of adverse weather events has affected all farmers in both the horticultural and agriculture sectors in these regions. Those of us from outside these areas acknowledge the real cost and challenges those growers have faced and we extend our support to those affected by these difficult circumstances.



Potatoes NZ has also had a leadership transition earlier this year with the resignation of Chris Claridge who had served as Chief Executive for seven years. Of particular note under his period of leadership has been the increase in the spend on Research and Development (R&D) which is now around 50% of our budget. Chris played a lead role in developing the Sustainable Vegetable Systems project (SVS), a collaborative research program with other vegetable sector groups, which will give us a much better understanding of the way nutrients and nitrogen can be managed in potato and vegetable crops. Also under his watch has been the bringing of formally contracted services, finance, R&D management, communications and seed certification, into Potatoes NZ direct management providing greater control and significant savings in the cost of those roles.

We also bid farewell to Gemma Carroll and Nicola Loach, valued members of our team for a number of

years. We wish them and Chris well in their future endeavours.

We are excited to welcome Kate Truffitt as our new CEO starting early August. Kate comes with a background in horticulture and has a very good understanding of the challenges and problems we as growers face. With her experience and proven track record, we are confident that she will successfully lead Potatoes NZ in the coming years.

I would like to note to members my thanks to Jon Davison who has admirably filled the role of acting CEO during the transition period from Chris to Kate.

Looking to the coming year, we want to flag a number of issues that should be of concern to you as levy payers. Firstly over the last several years there has been a drop off in those willing to put their names forward for election to the Potatoes NZ Board.

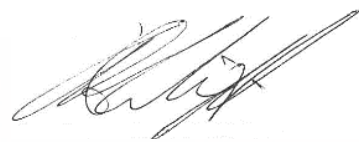
We received no nominations for board positions this year. This organisation is critically dependent on good representation at board level from across the country and I urge levy payers to seriously consider the role of director. While the board can appoint directors we would prefer they are elected by you as levy payers. It is not a particularly onerous role and is often very rewarding. There has been no increase in director's fees since the restructuring of Potatoes NZ 10 years ago and there is a remit to address that later in the meeting.

Secondly, next year Potatoes NZ will be running a referendum on the continuation of its levy order under the Commodities Levy Act. In the lead up to that vote we will be consulting with growers widely and looking for feedback on how we can improve the performance of Potatoes NZ.

I acknowledge that our consultation with levy payers has not been up to scratch in the last few years. Addressing this issue is paramount to getting grower support for the levy referendum, but also in the development of strategy to guide the board's decisions over the next five years. The board has already flagged this to Kate as an absolute priority as she starts her role as CEO. To be successful this organisation must reflect what growers want and providing face to face consultation is a vital part of that.

I would like to thank the board and staff for their support, work and commitment over the last year. The last twelve months has at times been quite challenging. This will be my last AGM as chair and as a board member. I have enjoyed my time in this role and Potatoes NZ has in my opinion certainly come a long way since we restructured it from a HortNZ product group 10 years ago to a standalone body answering directly to its growers and levy payers.

Thank you



Stuart Wright

*Chair*

Potatoes New Zealand Inc.

## Potatoes New Zealand Inc.

# 2023 CEO's Annual Report

As the new CEO, and from a background of horticulture, I am mindful of the challenges that our industry has faced over the last year but look to the future with optimism and determination to pursue our change strategy involving all stakeholders.

In 2022, our growers had to contend with climate issues, rising costs, and financial pressures with planted hectares estimated to have dropped by 20%, primarily in the North Island. However, the Farmgate value as a percentage of area planted increased by nearly 21%, reflecting both higher pricing and the inherent strength and resilience of our industry.

The higher cost structure and inflationary pressures for NZ growers have reflected through to a significant escalation in retail potato pricing as measured by the Consumer Price Index – to hopefully at least maintain the bottom line for growers. We must however remain vigilant about climate impacts on growers' production and yield across the sector.

Potato import volumes are a continuing threat to the industry. Imports dipped slightly in 2022 yet have surged again in the quarter ending June '23, potentially attracted by the higher retail prices. Despite this challenge, our export volumes grew by 2.6% in 2022, and with significantly increased export prices, the value rose by 13.8%. Notably, the greatest gains in export value per kilogram were observed for seed and fresh/chilled potatoes, while frozen product experienced a more modest 1.7% increase. For further details, please refer to the 2022 Industry Overview pages.



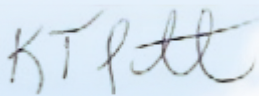
Potatoes NZ collected approximately \$1.4 million in levy and, through successfully securing additional funding, spent \$1.7 million on RD&E continuing our commitment and focus on industry growth. Under our RD&E umbrella, significant progress is being made in pest and disease protection, particularly in the areas of nitrogen management and Psyllid Liberibacter research. These projects have been conducted in positive collaboration with other industry participants and, with our other projects, are regularly reported in NZ Grower, Potatoes NZ newsletters, websites, technical bulletins, R&D program events, and regional visits/meetings.

The past year has been challenging for our small team, with several changes in executive and administration staff. I would like to extend my heartfelt gratitude to our long-serving team members, Cyril Hickman, Paula Lleras, Tristan Hickman, and Iain Kirkwood, for their unwavering support. Their combined efforts have led

to the development of in-house capability for PCN and other testing, which will significantly benefit our growers. Other new faces on the Potatoes NZ team are: Bobby Hall as Finance Manager and Renu Ryder as Communications Manager. Our collective experience and enthusiasm will contribute to the continued success of Potatoes New Zealand Inc.

I am pleased to report that Potatoes NZ Inc concludes the year in a solid position. A comprehensive breakdown of our financial performance will be available mid August.

In joining the industry, I look forward to fully engaging with all of you in the coming year and I wish to thank everyone in advance, including our strategic partners, for your support and collaboration as we work towards our shared ambitions for potatoes in New Zealand.



Kate Truffitt

CEO

Potatoes New Zealand Inc.

Mobile: +64 27 809 9779

Email: [kate.truffitt@potatoesnz.co.nz](mailto:kate.truffitt@potatoesnz.co.nz)

[www.potatoesnz.co.nz](http://www.potatoesnz.co.nz)

# 2022 Industry Overview

Potatoes are grown across Aotearoa and harvested for use in both the domestic and export market



**8424 Hectares planted** (-23%)



**Farmgate value \$174,140,000** (-6.7%)



**Total Export volume 84,074 tonnes** (+2.6%)



**Total Export value \$ 118,587,699** (+13.8%)



**Total Import volume 27,898 tonnes** (+7.7%)



**Total Import value \$ 80,741,551** (+10.3%)



**Export:Import Ratio - volume 3.82** (+8.9%)



**CPI increase for Table potatoes 52%**



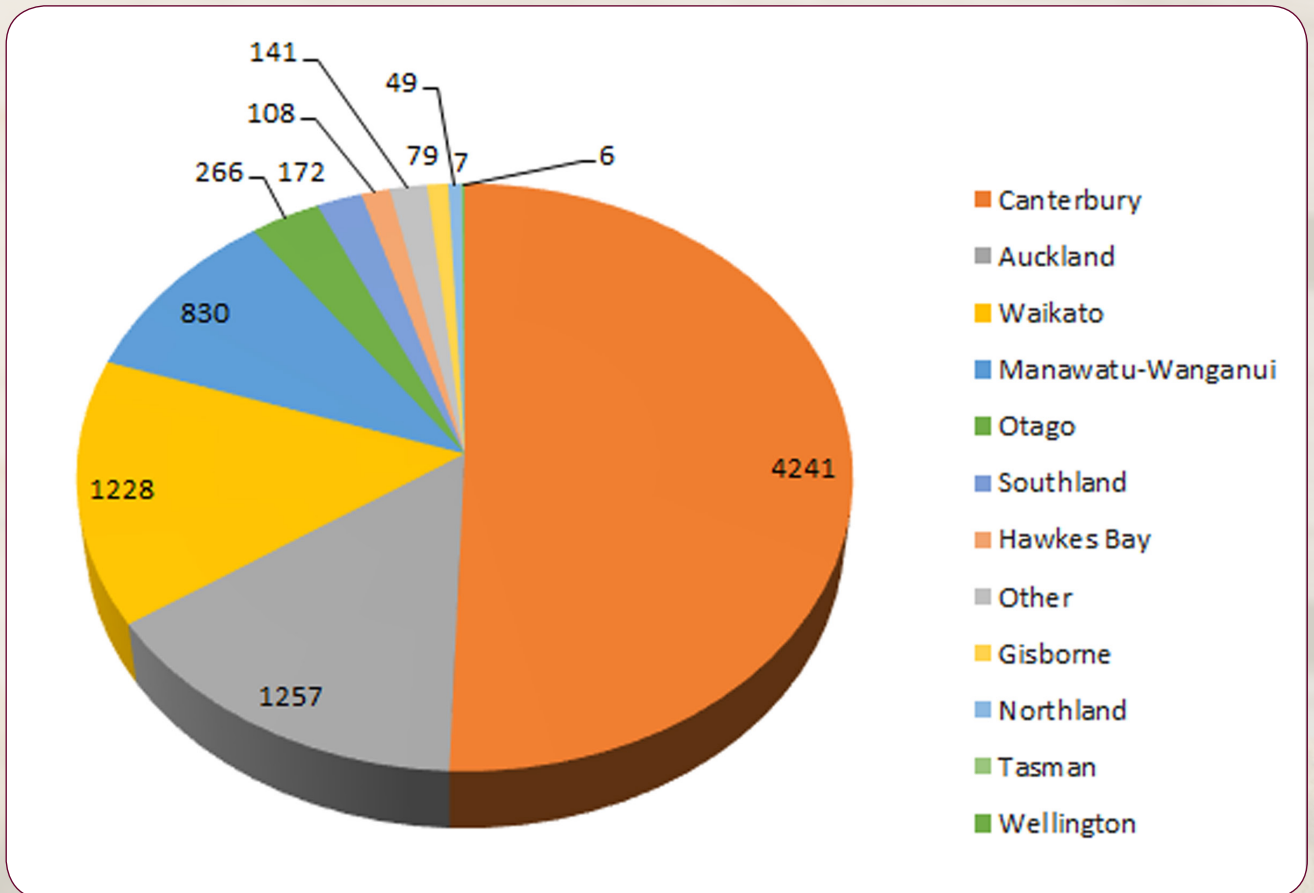
**CPI increase for Frozen Fries 36%**



**CPI increase for Crisps 20%**



## Hectares Planted by Regional Council

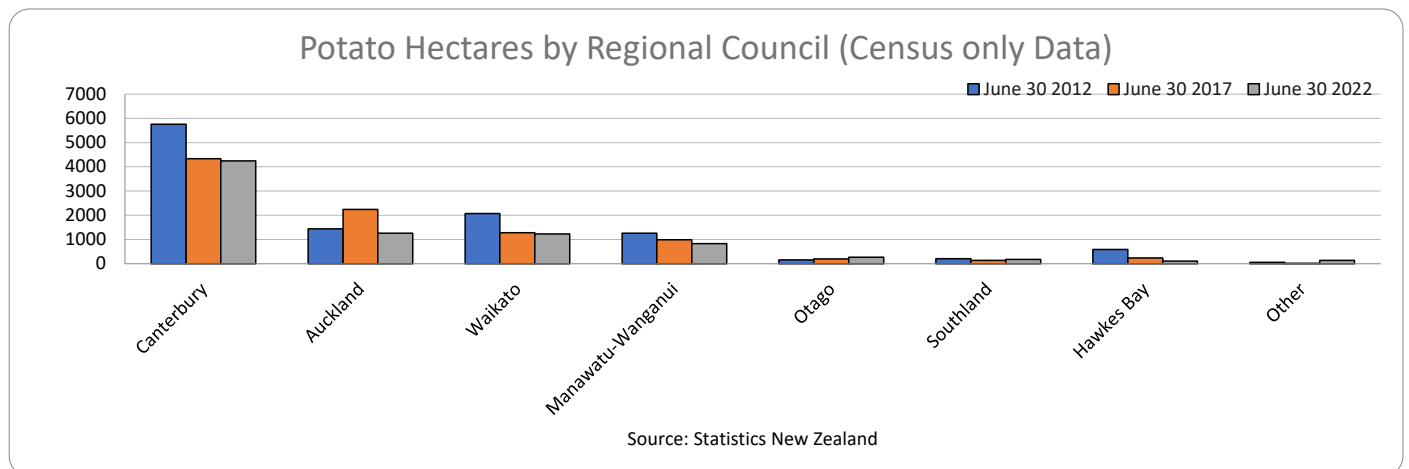


# 2022 Summarised Data

AREA PLANTED (Year ending June)							
	2016	2017-C	2018	2019	2020	2021	2022-C
<b>Seed</b>	1,470	1,123	1,160	1,117	1,075	908	850
<b>Brushed/Table/Processed</b>	10,211	8,327	8,579	8,911	9,242	9,993	7,574
<b>Total (ha) planted</b>	11,680	9,450	9,739	10,028	10,317	10,901	8,424

VALUE \$000								% Change
Levy income - Annual report \$000	\$1,467	\$1,400	\$1,368	\$1,573	\$1,608	\$1,543	\$1,440	
Farmgate value - \$000	\$177,405	\$169,302	\$165,433	\$190,223	\$194,456	\$186,595	\$174,140	-6.7%

<b>\$/HECTARE</b>	\$15,188	\$17,916	\$16,987	\$18,969	\$18,848	\$17,117	\$20,672	20.8%
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### SUPERMARKET RETAIL SALES (Calendar Year)

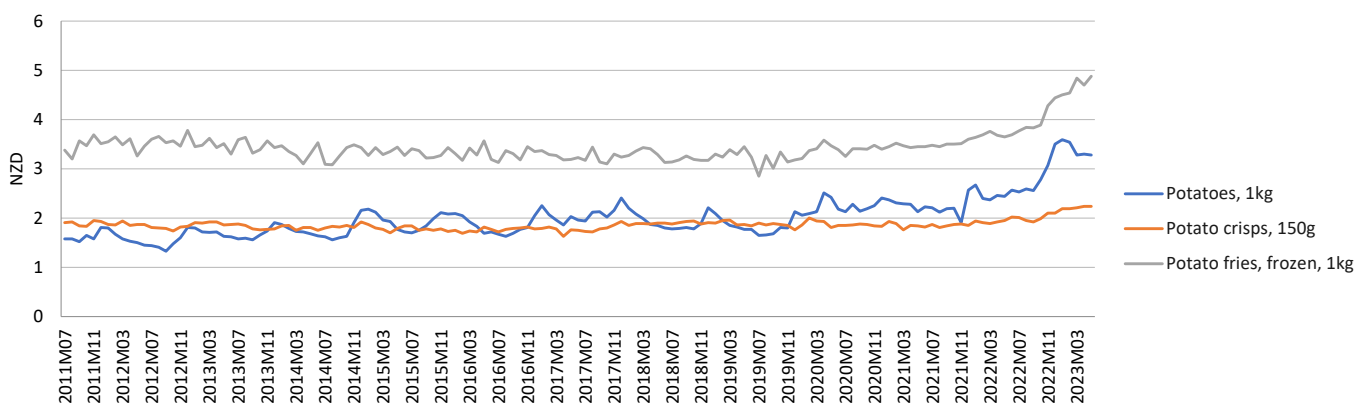
Volume	2016	2017	2018	2019	2020	2021	2022	2023	% Change
<b>Frozen Potatoes (kg)</b>	23,500	25,306	26,343	19,280	22,815	22,867	23,389		<b>2.3%</b>
<b>Fresh Potatoes (kg)</b>	0	0	0	23,506	21,916	20,539	19,549		<b>-4.8%</b>
<b>Crisps (Units)</b>	14,395	15,983	11,967	12,910	14,012	14,264	13,792		<b>-3.3%</b>

Value (\$000)	2016	2017	2018	2019	2020	2021	2022	2023	% Change
<b>Frozen Potatoes</b>	\$66,508	71709.172	75176.13	\$78,300	\$97,495	\$102,111	\$111,493		<b>9.2%</b>
<b>Fresh Potatoes</b>				\$61,230	\$60,537	\$56,985	\$62,088		<b>9.0%</b>
<b>Crisps</b>	\$151,357	\$163,372	\$177,575	\$192,527	\$215,828	\$226,780	\$242,157		<b>6.8%</b>

\$/kg	2016	2017	2018	2019	2020	2021	2022	2023	% Change
<b>Frozen Potatoes</b>	\$2.83	\$2.83	\$2.85	\$4.06	\$4.27	\$4.47	\$4.77		<b>6.8%</b>
<b>Fresh Potatoes</b>				\$2.60	\$2.76	\$2.77	\$3.18		<b>14.5%</b>
<b>Crisps</b>	\$10.51	\$10.22	\$14.84	\$14.91	\$15.40	\$15.90	\$17.56		<b>10.4%</b>

CONSUMER PRICE INDEX (Calendar Year)	2016	2017	2018	2019	2020	2021	2022	Jun '23	0.0%
<b>Potato fries, frozen, 1kg</b>	3.31	3.24	3.25	3.23	3.40	3.48	3.85	4.94	<b>10.4%</b>
<b>Potatoes, 1kg</b>	1.83	2.08	1.92	1.83	2.23	2.23	2.66	3.35	<b>19.1%</b>
<b>Potato crisps, 150g</b>	1.76	1.78	1.90	1.88	1.88	1.85	1.98	2.21	<b>6.7%</b>

### Food Price Index Weighted Average Prices for New Zealand (Monthly)



# 2022 Summarised Data

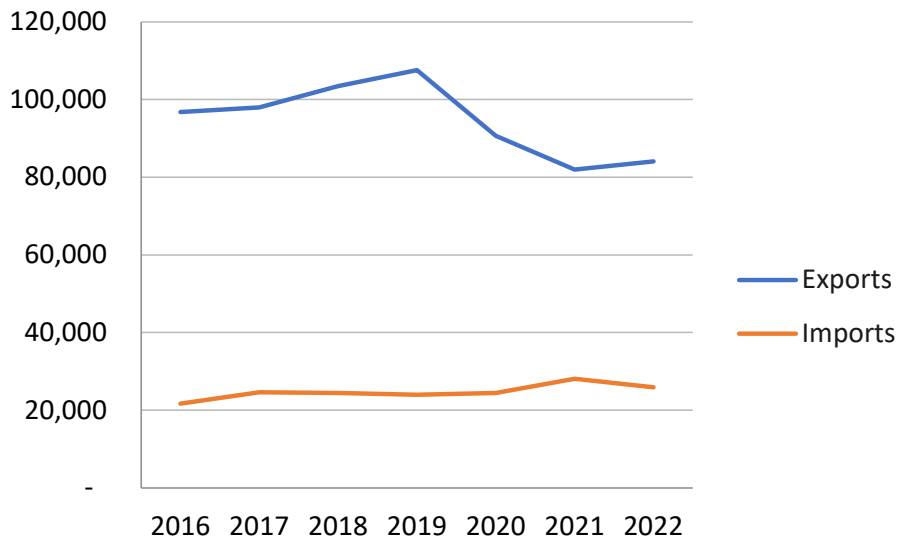
EXPORTS								
Export qty (Tonnes)	2016	2017	2018	2019	2020	2021	2022	% Change
Frozen Fries	61,282	66,379	72,916	77,045	61,135	55,034	58,448	6.2%
Fresh Potatoes	31,354	26,977	26,808	26,741	25,516	24,099	22,994	-4.6%
Crisps	1,447	1,275	586	837	851	841	933	10.9%
Potato Starch	2,459	3,263	3,015	2,792	2,873	1,883	1,173	-37.7%
Seed Potatoes (Fresh)	130	21	26	73	18	59	465	689.7%
Other	57	74	98	67	237	34	60	75.8%
<b>Total</b>	<b>96,729</b>	<b>97,989</b>	<b>103,450</b>	<b>107,554</b>	<b>90,630</b>	<b>81,949</b>	<b>84,074</b>	<b>2.6%</b>

Export Value (\$/kg FOB)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Frozen Fries	\$1.32	\$1.37	\$1.38	\$1.32	\$1.32	\$1.38	\$1.40	1.7%
Fresh Potatoes	\$0.75	\$0.95	\$0.92	\$0.78	\$0.80	\$0.79	\$1.13	43.8%
Crisps	\$6.42	\$6.53	\$7.99	\$6.91	\$8.06	\$8.18	\$8.51	4.0%
Potato Starch	\$1.04	\$1.04	\$1.07	\$1.08	\$1.12	\$1.13	\$1.40	24.1%
Seed Potatoes (Fresh)	\$1.05	\$1.40	\$1.10	\$0.35	\$1.46	\$0.68	\$1.14	67.5%
Other	\$8.02	\$7.01	\$5.33	\$6.69	\$2.44	\$9.46	\$8.84	-6.5%
<b>Total</b>	<b>\$1.21</b>	<b>\$1.32</b>	<b>\$1.29</b>	<b>\$1.22</b>	<b>\$1.23</b>	<b>\$1.27</b>	<b>\$1.41</b>	

IMPORTS								
Import qty (Tonnes)	2016	2017	2018	2019	2020	2021	2022	0.0%
Frozen Fries	16,684	18,875	18,804	18,269	17,905	21,024	19,766	-6.0%
Potato Starch	2,150	2,343	3,007	2,224	2,765	3,943	2,603	-34.0%
Crisps	1,046	1,492	1,068	1,634	2,122	2,097	1,991	-5.0%
Frozen not-fried	351	329	319	337	253	185	190	2.8%
Fresh Potatoes	11	0	0	-	11	-	14	
Seed Potatoes (Fresh)	-	-	-	-	-	-	-	
Other	1,412	1,530	1,263	1,494	1,348	817	1,334	63.4%
<b>Total</b>	<b>21,654</b>	<b>24,570</b>	<b>24,460</b>	<b>23,958</b>	<b>24,405</b>	<b>28,066</b>	<b>25,898</b>	<b>-7.7%</b>
Import \$/kg	0	0	0	0	0	0	0	
Frozen Fries	\$1.68	\$1.66	\$1.84	\$1.89	\$2.02	\$2.01	\$2.30	14.8%
Potato Starch	\$1.27	\$1.30	\$1.34	\$1.67	\$1.55	\$1.55	\$1.85	19.5%
Crisps	\$10.64	\$9.30	\$8.16	\$9.84	\$8.95	\$10.77	\$12.80	18.9%
Frozen not-fried	\$2.08	\$1.68	\$1.64	\$1.83	\$2.08	\$1.74	\$2.24	29.1%
Fresh Potatoes	\$0.50	\$0.30	\$1.50	-	\$1.19	-	\$2.82	
Seed Potatoes (Fresh)	-	-	-	-	-	-	-	
Other	\$1.94	\$2.27	\$2.35	\$2.63	\$2.67	\$2.51	\$3.37	34.3%
<b>Total</b>	<b>\$2.09</b>	<b>\$2.13</b>	<b>\$2.08</b>	<b>\$2.46</b>	<b>\$2.60</b>	<b>\$2.61</b>	<b>\$3.12</b>	<b>19.5%</b>

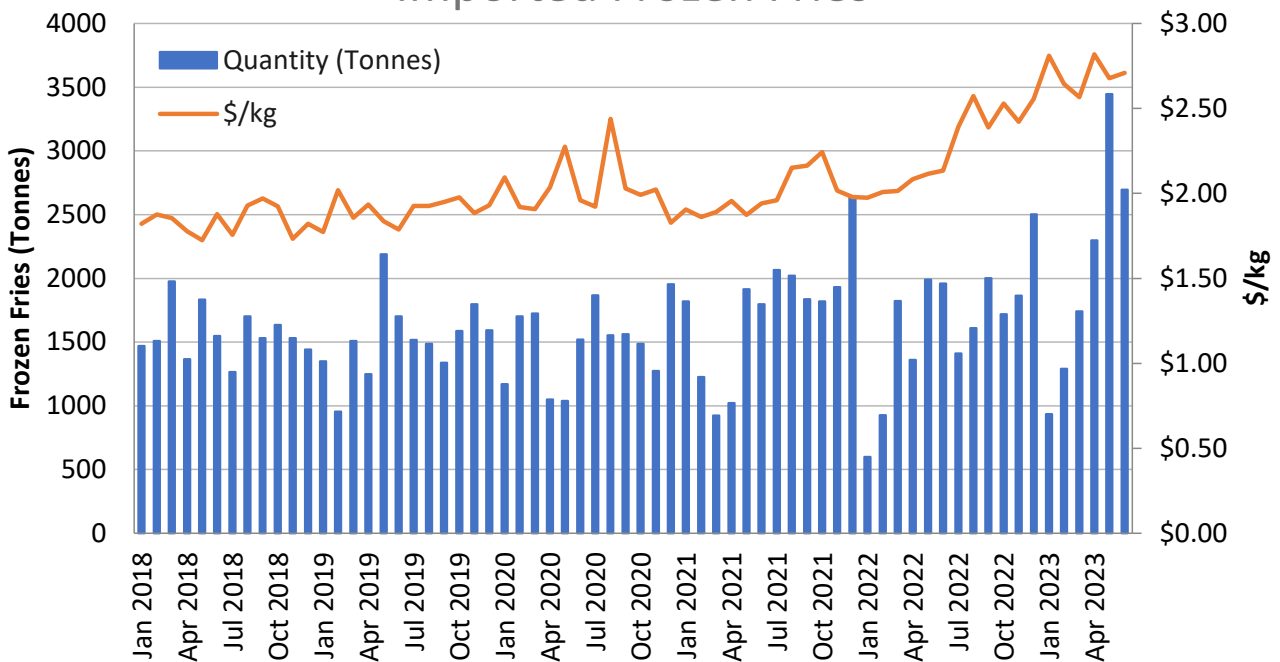
EXPORT:IMPORT RATIO (Volume)	4.47	3.99	4.23	4.49	3.71	2.92	3.25	11.2%
EXPORT:IMPORT RATIO (Value)	2.58	2.47	2.64	2.23	1.76	1.42	1.47	3.2%

### Exports vs Imports of Potato Products (Tonnes)



Source: Statistics New Zealand

### Imported Frozen Fries





# Potatoes New Zealand Incorporated

## AGM Notices of Motion

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The following motions will be considered at the Potatoes New Zealand Inc. Annual General Meeting (AGM) being held at Te Pae Convention Centre, Christchurch on Tuesday 22<sup>nd</sup> August 2023 at 12pm.

**Motion 1** That the minutes of the AGM of Potatoes New Zealand Inc. , held on 28th November 2022 be taken as read and confirmed as a true and correct record of that meeting.

*Proposed by the PNZ Inc. Board*

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**Motion 2** That the audited financial statements for the year ended 31 March 2023 be approved.

*Proposed by the PNZ Inc Board*

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**Motion 3** That BDO Wellington, be appointed auditors for the financial year ended 31 March 2024.

*Proposed by the PNZ Inc. Board*

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**Motion 4** That an increase in the remuneration of Directors and Subcommittee members be approved.

*Proposed by the PNZ Inc. Board*

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A PDF of the Minutes of the 2022 AGM will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-August 2023. If you have any questions or would like hard copies, please contact PNZ on phone 0800 399 674 or email [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz).

A PDF of the 2023 Annual Report and Financial Statements will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-August 2023. If you have any questions or would like hard copies, please contact PNZ on phone 0800 399 674 or email [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz).



**Potatoes New Zealand**  
*Building a secure and sustainable  
future for our industry*



**Potatoes**  
NEW ZEALAND  
[www.potatoesnz.co.nz](http://www.potatoesnz.co.nz)









**Potatoes New Zealand Inc**

PO Box 10232

The Terrace

**Wellington 6143**

Phone: 0800 399 674

Email: [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz)