

Potatoes New Zealand Inc.  
AGM Papers & Annual Report  
**2022**





# Potatoes New Zealand Inc.

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### October 2022

Via Zoom only due to pandemic response.

<https://us02web.zoom.us/j/84590648710>

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# Potatoes New Zealand Inc.

## 2022 Chairman's Annual Report

2021 flew by, with ongoing, multiple challenges. The government policies, the disruption and economic impact of the global pandemic, increasing costs of production and weather events in every growing region, took a toll on growers, industry and our markets. Despite these issues Potatoes New Zealand Inc (PNZ) has finished the 2021 year with a small profit of \$68,660 and financial reserves of \$1.3 million.



processed Trade, which is also posted on the website and shared via the newsletter.

It is reassuring to see that the levy remains stable due to the efficiencies of the membership database and levy information system.

PNZ again channeled 100% of the grower levy into Research and Development.

The PNZ 2022 Strategy and Business Plan focuses on doubling the fresh and processed exports by 2025, as well as aiming for zero net nutrient and GHG emissions by 2035.

The industry challenges are increasing profitability, achieving crop yields, whilst maintaining emission and discharge compliance. Labour shortages and input costs are now another pressure point. It looks as though weather events might need to be added to our list and it will be interesting to see how the changing climate affects disease pressure in the future.

We continue the focus on research and innovations to achieve our targets and mitigate our challenges, in our RD&E programmes.

The overall value of the industry, including the domestic and export markets dropped slightly to \$1.095 billion.

The domestic market for 2021 has been impacted by the pandemic, where we see a drop from \$1,054,857 to \$993,447 in value.

The impacts from the Covid-19 crisis, primarily from the threat of cheap imported European fries, has led to a watch and wait approach from PNZ. This includes a new quarterly report to the board on NZ Frozen

The board are ensuring R&D is focused on industry problems and delivering meaningful solutions to growers. We ask grower members to utilize our governance team by letting us know what you need and want, feedback is critical to PNZ.

This year we farewell Bharat Bhana and Mike Moleta from our board, with much appreciation for their time in governance.

Lastly, I would like to thank the board members and staff of Potatoes NZ Inc and all technical panel and committee members who have contributed their time and energy to the activities and success of Potatoes New Zealand Inc.

A handwritten signature in black ink, appearing to read 'Stuart Wright', written over a light blue background.

Stuart Wright

Chair

Potatoes New Zealand Inc.

# Potatoes New Zealand Inc.

## 2022 CEO's Annual Report

2021 was an even tougher year than 2020 and we saw some consequences of the pandemic really start to hit. In addition, the rising costs of compliance and production meant we saw a slight dip in overall industry value from \$1.2 billion to \$1.1 billion.

Potatoes New Zealand (PNZ) revised our industry goals in February 2022, after achieving 50% value growth in the domestic market, earlier than targeted in our previous Strategy & Plan.

The 2022 Strategy is:

- 1. Double the value of fresh and processed New Zealand based exports by 2025**
- 2. Net Zero nutrient and GHG emissions from the potato industry by 2035**



These targets, agreed by the board, maintain industry's economic, social and environmental pillars.

Our industry reached an overall value of \$1,094,966 in 2021 and achieved overall value growth of 41% since 2013. The data shows that 72% of our NZ crop is processed (frozen and crisps) and this is the reason our industry value has held steady. Noticeably there was a doubling in value for the crisping sector. Comfort food was popular during the pandemic!

We see a 10% increase in volume exported but nominal increase in value for fresh/table to the Pacific Islands.

The export market peaked in 2017, but the continued impacts of the pandemic, resulted in a 20% drop in our exports from that peak, until the end of December 2021.

Growers maintained farmgate value at \$181,637,000 but we have observed a volume and value drop, across both export and domestic markets.

The key takeaway from 2021 is that a strong domestic market underpins our industry. It affirms that securing and stabilizing our domestic market share should remain a top priority for PNZ. A strong domestic market maintains NZ industry resilience.

More details on the 2021 industry values and volumes performance can be seen on page 12.

PNZ has collected just over \$1.5 million in levy and spent \$1.9 million on R&D. In other words, the RD&E expenditure exceeds the levy collected. As a commodity levy group, it is imperative that we control our own checkbook and seek additional funds in order to leverage the value of our levy.

RD&E comprises sustainability, optimizing nutrients, pest/disease management, potato breeding, on-farm productivity and manufacturing innovations. The specific objectives for 2021 activities were to provide growers with the tools to deal with existing pests and diseases, ensure they are protected from biosecurity incursions, as well as helping growers develop infrastructure and methods to improve water and nitrogen use efficiency.

You can read about the key RD&E achievements on page 9.

PNZ projects were reported on regularly in NZ Grower, PNZ newsletters, websites, technical bulletins, R&D programme events and at regional visits/meetings.

PNZ seek to maintain and grow our markets and one of the ways we do this is through 'industry good stories', undertaking promotions and marketing initiatives. These are summarized on page 'Key Achievements'.

Media communications remained steady in 2021 with around 10,000 followers across 5 channels and we speak to 2,500 subscribers to our monthly newsletter and email-notices.

Our team continue the good work in quality, covering the three essential industry functions of maintaining compliance, biosecurity, and standards. We've gained inhouse capability with the addition of father son duo, Cyril and Tristan Hickman, as seed quality team members.

Potatoes New Zealand Inc. has finished the year with a net gain of \$68,660 and reserves of \$1.3 million.

Financial reserves are split into two separate reserves: Commodity Order Levy Reserves and Non-levy Reserves. They were \$875,450 and \$436,520, respectively at the end of the financial period.

More details in financial performance can be read on page 19.

The good news is we've stabilized our finances and we are focusing our efforts on research, development and extension to solve growers' challenges.

Our small team, ably supported by the PNZ board has come through another pressure-cooker year for industry.

I would like to thank everyone in the industry and our strategic partners for their active support.



Chris Claridge

*CEO*

Potatoes New Zealand Inc.

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



# April 1<sup>st</sup> 2021 - March 31<sup>st</sup> 2022

## Key Achievements

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- 1. Biosecurity Readiness & Response** – PMTV pest management annual review.
- 2. Biosecurity Readiness & Response** – routine monitoring for sector risk organisms.
- 3. Quality Assurance** – NZ Seed Potato Certification Rulebook & Seed-lines revised and published.
- 4. Quality Assurance** – employed 2 new team members to our inhouse NZSPCA inspection team.
- 5. Quality Assurance** – Residue Compliance Information for Potatoes New Zealand revised and published.
- 6. Communication** – 3X weekly social media PR promoting sustainably grown NZ potatoes and potato products, across 5 channels with 10,000 followers.
- 7. Communication** – 4 new videos on pest/disease, innovation and RD&E added to our YouTube channel.
- 8. Communication** – averaging 40 'positive news about potatoes' articles in national and global media each month.
- 9. Communication** – 10 PNZ events/industry meetings held during 2021-2022 despite pandemic disruption, reaching 174 attendees.
- 10. Communication** – successful pivot to regional industry forum, when PNZ 2021 conference was cancelled due to Covid-19 lockdown.
- 11. Communication** – teamed up with EatNZ for Feast Matariki celebrations.
- 12. Communication** – our strategic partners United Fresh ran 2 campaigns for us, Spring & Christmas, with a combined reach of over 3 million social media users.
- 13. Research, Development & Extension** – 28 R&D projects completed since 2013.
- 14. Research, Development & Extension** – 4 multi-project programmes and the ongoing Ag-Chem Strategy continuing without disruption.
- 15. Research, Development & Extension** – \$4.7 million Sustainable Vegetable Systems project meeting 2nd year milestones.
- 16. Research, Development & Extension** – assisted the processing sector's Canterbury Potato Liberibacter Initiative.
- 17. Research, Development & Extension** – signed a memorandum of understanding to investigate the establishment of The Lincoln University, Potatoes NZ, Centre of Excellence in Potato Research and Extension.
- 18. Grower Representation** – representation on GIA Deed Governance Group, Plant Market Access Council (PMAC), Sustainable Vegetable Systems Governance and the Trust Alliance Inc Board.
- 19. Administration** – Strategic Plan and Business Transformation Plan updated and communicated to growers and stakeholders.
- 20. Administration** – membership database active and continuing to increase levy value as a result.

# Industry Overview

Potatoes are grown across Aotearoa and harvested year-round

## Values

In 2021:

\*1 metric tonne = 1000kgs



**456,072 MT\*** produced from **8,951 hectares**



NZ 2020 average yield = **51,000kgs per hectare**



Farmgate value **\$181,637,000**



**Export** value **\$11,344 per hectare**



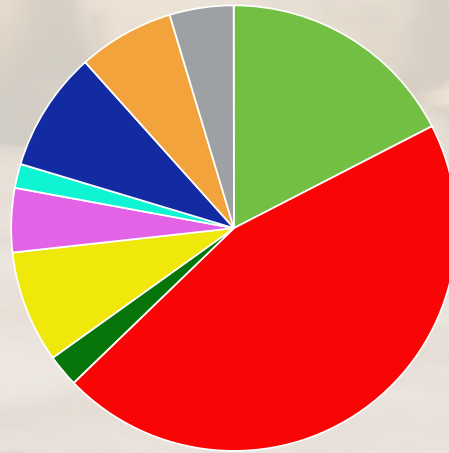
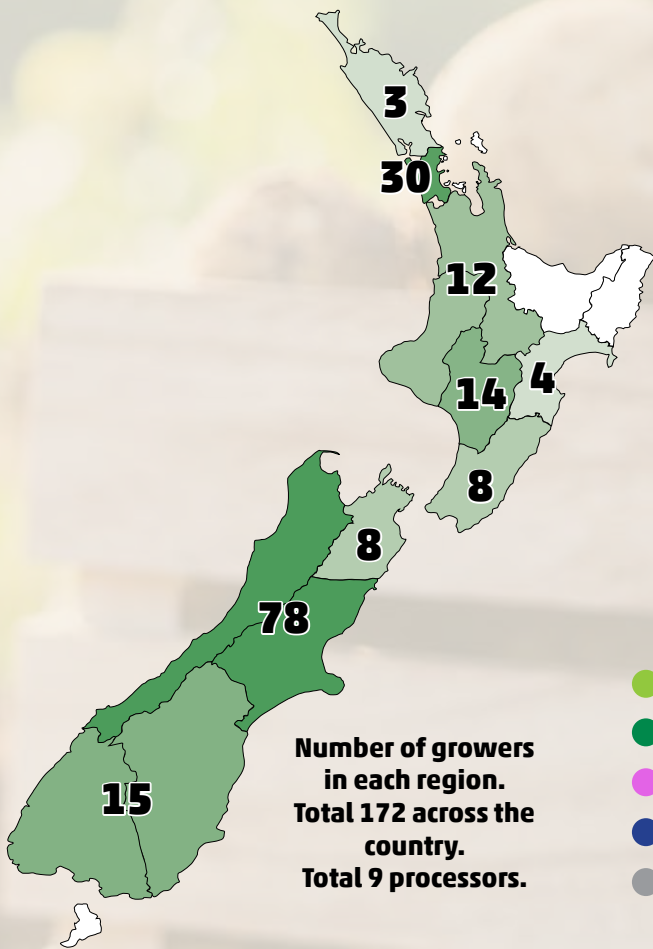
**Total Export** value **\$101,549,000**



**Domestic Retail** value **\$111,658 per hectare**



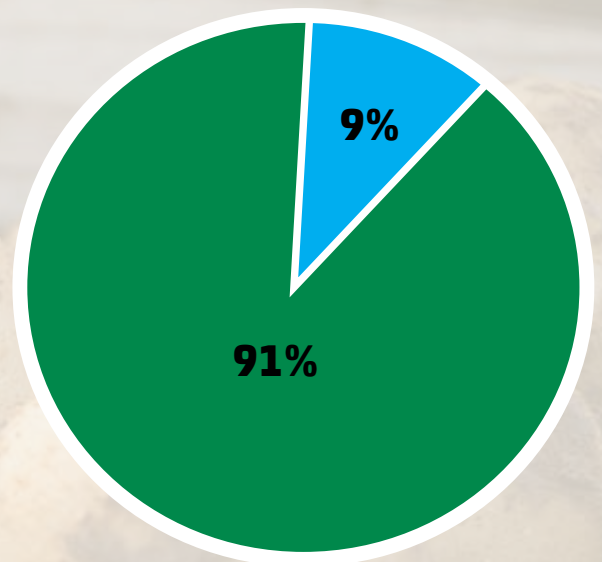
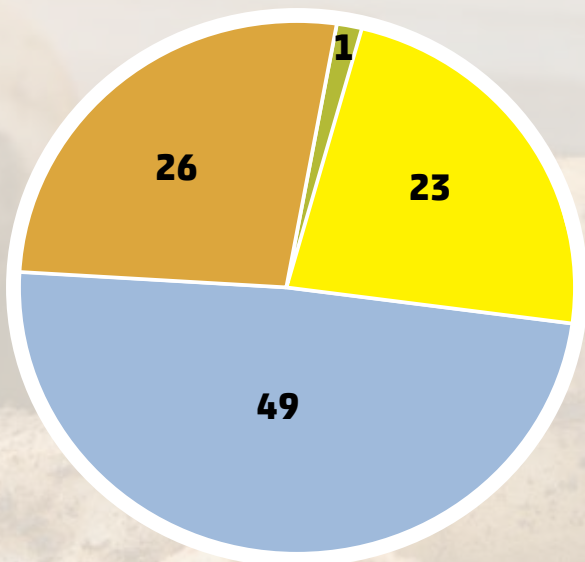
**Total Domestic Retail** value **\$999,447,000**



- Auckland
- Canterbury/Westland
- Hawkes Bay
- Manawatu
- Nelson/Marlborough
- Northland
- Otago/Southland
- Taranaki/ Waikato
- Wairarapa

**% Of total industry value**

**Industry value \$1,095 million**



- seed
- export wholesale value
- crisps
- domestic retail value
- processed frozen
- fresh/ware

# 2013-2021 Potato Industry by Volume and Value

Currency is NZD



	2013	2016	2017	2018	2019	2020	2021
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## BY VOLUME

Area Planted (ha)

<b>Seed</b>	1,182	1,470	1,123	1,160	1,117	1075	<b>951</b>
<b>Table</b>	3,516	3,270	3,278	3,278	3300	3200	<b>3000</b>
<b>Crisps</b>	5,631	5,262	5,905	5,906	6000	5500	<b>5,000</b>
Total (ha) planted	10,328	10,002	10,306	10,344	10,417	9,775	<b>8,951</b>
Production (MT)	493,872	467,761	496,900	527,190	533,030	497,634	<b>456,072</b>

## Saleable Yield

(MT/ha) (multiplier)

<b>Seed</b>	22,453	27,924	21,337	22,042	21,230	20,434	<b>18,072</b>
<b>Table</b>	161,736	150,427	150,788	150,788	151,800	147,200	<b>138,000</b>
<b>Crisps</b>	309,683	289,410	324,775	354,360	360,000	330,000	<b>300,000</b>

## BY VALUE

<b>Seed ('000 NZD)</b>							
<b>Export</b>	\$310	\$137	\$30	\$29	\$25	\$18	<b>\$11</b>
<b>Domestic Sales</b>	\$17,762	\$22,235	\$17,053	\$17,613	\$16,962	\$16,327	<b>\$14,435</b>
<b>Total seed sold ('000 NZD)</b>	\$18,071	\$22,372	\$17,082	\$17,642	\$16,988	\$16,345	<b>\$14,447</b>
<b>% of final industry value</b>	2%	3%	2%	2%	2%	1%	<b>1%</b>

<b>Table Potatoes ('000 NZD)</b>							
<b>Export</b>	\$18,020	\$26,679	\$29,487	\$22,909	\$20,774	\$20,016	<b>\$20,539</b>
<b>Domestic Retail</b>	\$119,000	\$191,800	\$217,963	\$201,688	\$192,325	\$234,413	<b>\$234,413</b>
<b>Foodservice</b>	\$24,000	\$28,000	\$30,000	\$30,000	\$30,000	\$30,000	<b>\$30,000</b>
<b>Total Table Potatoes ('000 NZD)</b>	\$161,020	\$246,479	\$277,449	\$254,597	\$243,099	\$284,429	<b>\$284,951</b>
<b>% of final industry value</b>	21%	29%	28%	23%	22%	25%	<b>26%</b>

<b>Crisps ('000 NZD)</b>							
<b>Export</b>	\$15,518	\$9,368	\$8,182	\$4,684	\$5,781	\$6,844	<b>\$6,844</b>
<b>Retail*</b>	\$143,335	\$166,493	\$179,709	\$195,332	\$211,779	\$237,411	<b>\$249,458</b>
<b>Total sold</b>	\$158,853	\$166,493	\$187,891	\$200,016	\$217,561	\$244,254	<b>\$256,302</b>
<b>% of final industry value</b>	20%	19%	19%	18%	20%	21%	<b>23%</b>

\*assume an extra 10% above scan data

<b>Frozen/Fries ('000 NZD)</b>							
<b>Export</b>	\$76,650	\$81,238	\$91,605	\$101,673	\$101,631	\$78,960	<b>\$74,156</b>
<b>Retail*</b>	\$66,802	\$73,159	\$78,132	\$82,694	\$86,130	\$107,245	<b>\$112,323</b>
<b>Food Service</b>	\$294,664	\$272,073	\$329,605	\$452,575	\$422,462	\$429,462	<b>\$352,818</b>
<b>Total Sold</b>	\$438,115	\$426,471	\$499,342	\$636,941	\$610,223	\$615,667	<b>\$539,296</b>
<b>% of final industry value</b>	56%	49%	51%	57%	56%	53%	<b>49%</b>

\*assume an extra 10% above scan data

<b>Domestic Value</b>	\$665,563	\$744,392	\$852,460	\$979,900	\$959,659	\$1,054,857	<b>\$993,447</b>
<b>Total Export Value</b>	\$110,497	\$117,422	\$129,304	\$129,295	\$128,211	\$105,838	<b>\$101,549</b>
<b>Total Industry Value (\$000)</b>	\$776,060	\$861,814	\$981,764	\$1,109,195	\$1,087,871	\$1,160,695	<b>\$1,094,996</b>

**2021 Total Industry Value: \$1,095 million p.a.**

# 2021 Potato Industry by Volume and Value



	2021
<b>BY VOLUME</b>	
Area Planted (ha)	
Seed	951
Table	3000
Crisps	5,000
Total (ha) planted	8,951
Production (MT)	456,072

	2021
<b>Saleable Yield</b>	
(MT/ha) (multiplier)	
Seed	18,072
Table	138,000
Crisps	300,000

	2021
<b>BY VALUE</b>	
Currency is NZD	
Seed ('000 NZD)	
Export	\$11
Domestic Sales	\$14,435
Total seed sold ('000 NZD)	\$14,447
% of final industry value	1%

Table ('000 NZD)	
Export	\$20,539
Domestic Retail	\$234,413
Foodservice	\$30,000
Total Table Potatoes ('000 NZD)	\$284,951
% of final industry value	26%

Crisps ('000 NZD)	
Export	\$6,844
Retail*	\$249,458
Total sold	\$256,302
% of final industry value	23%

Frozen/Fries ('000 NZD)	
Export	\$74,156
Retail*	\$112,323
Food Service	\$352,818
Total Sold	\$539,296
% of final industry value	49%

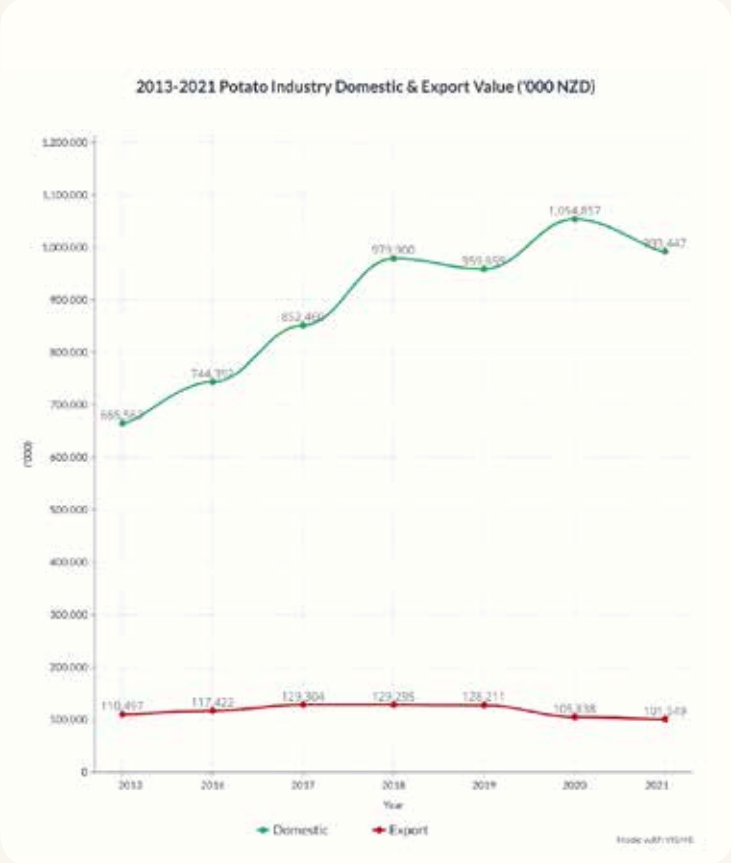
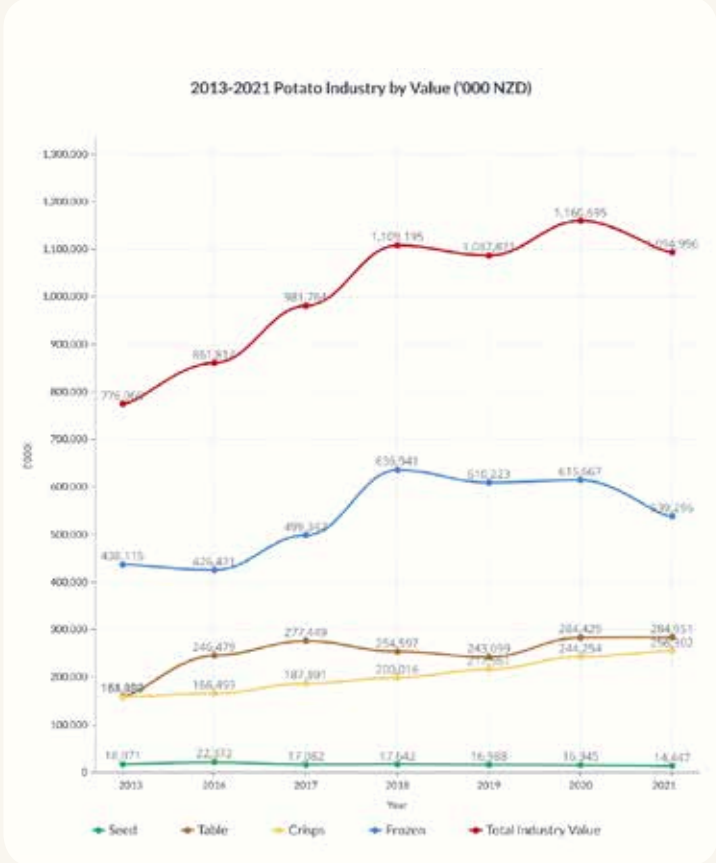
\*assume an extra 10% above scan data

Domestic Value	\$993,447
Total Export Value	\$101,549
Total Industry Value (\$000)	\$1,094,996

**2021 Total Industry Value: \$1,095 million p.a.**



# 2013-2021 Potato Industry Graphs



# Potatoes New Zealand Incorporated

## Annual General Meeting 2022

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### **AGM Meeting Agenda**

7pm, Tuesday 29th November 2022

via zoom <https://us02web.zoom.us/j/85309220156>

### **Agenda**

- Welcome and Introductions
- Apologies
- Proxies for AGM Resolutions
- Notices of Motion
  - Minutes of 2021 Potatoes NZ Incorporated AGM
  - Potatoes NZ Inc. 2022 Audited Financial Statements
  - Appointment of Auditor
- 2022 Annual Report
  - Chairman's and Chief Executive Reports
- Election Results – One re-election & one nomination
- General Business

Please contact [accounts@potatoesnz.co.nz](mailto:accounts@potatoesnz.co.nz) for more information



# 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 via zoom <https://us02web.zoom.us/j/85309220156> on Tuesday 29<sup>th</sup> November 2022 at 7pm.

**Motion 1** That the minutes of the AGM of Potatoes New Zealand, held on 1<sup>st</sup> September 2021 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<sup>st</sup> March 2021 be approved subject to final approval from Grant Thornton Final approval.

*Proposed by the PNZ Inc Board*

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**Motion 3** That either Grant Thornton Wellington, PricewaterhouseCoopers New Zealand or BDO Spicers, be appointed auditors for the financial year ended 31<sup>st</sup> March 2022.

*Proposed by the PNZ Inc. Board*

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A PDF of the Minutes of the 2021 AGM will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-December 2022. 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 Annual Report and Financial Statements will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-December 2022. 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 Incorporated

## Minutes of 2021 AGM

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**Minutes of 2021 Annual General Meeting** of Potatoes New Zealand Inc. being held via zoom due to covid-19 response. AGM was originally to be held at Pukekohe Indian Association Centre, Pukekohe Auckland. Wednesday 1<sup>st</sup> September 2021, 7:00pm.

**Present:** Stuart Wright (Chair) presided over representative from the following members:

McCain Foods (NZ) Ltd	MCG	Pye Group
Annat Farms	Bailey Farming Co Ltd	Balle Bros – Pukekohe
Balle Bros – Matamata	Balle Bros – Ohakune	Balle Bros – Onewhero
Balle Bros – Highbrook	Balle Bros – Heretaunga	Balle Bros - Pukekawa
Freshpik Farms Ltd	Hira Bhana & Sons Ltd	Olsen Agri
Jon Davison	Set Sue Ltd	

### **Also in attendance:**

Chris Claridge (CEO, Potatoes NZ Inc.)

Iain Kirkwood (Tech Manager, Potatoes NZ Inc.)

Gemma Carroll (Comm's, Potatoes NZ Inc.)

Paula Lleras (Agronomist, Potatoes NZ Inc.)

Nicola Loach (Administration, Potatoes NZ Inc.)

### **Welcome**

The Chair welcomed attendees and thanked them for giving up their time to partake on the AGM via zoom due to covid restrictions making it impossible to hold in person in Pukekohe.

### **Apologises**

Apologises were received from:

### **Voting and Proxies for AGM Resolution**

The CEO advised that no proxies were received.

### **Members may also attend the AGM via videoconference by**

- [Zoom.us](https://us02web.zoom.us/j/84590648710) meeting room: <https://us02web.zoom.us/j/84590648710>
- Phone (0800-084-460 Pin 620041#)

Please contact [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz) for more information

# AGM Notices of Motion



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**Motion 1** That the minutes of the AGM of Potatoes New Zealand Inc. held 13<sup>th</sup> August 2020 be taken as read and confirmed as a true and correct record of that meeting.

*Mike Moleta/Bharat Bhana Carried*

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**Motion 2** That the audited financial statements for the year ended 31<sup>st</sup> March 2021 be approved.

*John Jackson/Dacey Balle Carried*

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**Motion 3** That either Grant Thornton Wellington, PricewaterhouseCoopers New Zealand or BDO Spicers, be appointed auditors for the financial year ended 31<sup>st</sup> March 2022.

*Jon Jackson/Paul Olsen Carried*

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## 2020 Chairman & Operational Reports

The report on pages 4 – 11 of the AGM papers provided be taken as read. The Chair discussed the challenging year 2020 – 2021 had been with Plan Changes across 3 main growing regions, frozen fry tariff application and the constant disruption of Covid through New Zealand. SVS project is well underway and Potatoes NZ Research & Development spend was equivalent to the Potatoes NZ levy intake. The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

That the reports on pages 4 – 11 to be accepted.

*Bharat Bhana/Paul Olsen Carried*

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## Election Results

The Chair announced the results of the election of Directors to the Board of Potatoes New Zealand Inc. Chair thanked the board for their input during the year.

Michelle Pye is officially elected to the board and has been on the board in a casual position prior to the Potatoes NZ 2021 AGM.

*John Jackson/Dacey Balle Carried*

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## **2020 Chairman & Operational Reports**

The report on pages 4 – 11 of the AGM papers provided be taken as read. The Chair discussed the challenging year 2020 – 2021 had been with Plan Changes across 3 main growing regions, frozen fry tariff application and the constant disruption of Covid through New Zealand. SVS project is well underway and Potatoes NZ Research & Development spend was equivalent to the Potatoes NZ levy intake. The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

That the reports on pages 4 – 11 to be accepted.

*Bharat Bhana/Paul Olsen Carried*

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## **Election Results**

The Chair announced the results of the election of Directors to the Board of Potatoes New Zealand Inc. Chair thanked the board for their input during the year.

Michelle Pye is officially elected to the board and has been on the board in a casual position prior to the Potatoes NZ 2021 AGM.

*John Jackson/Dacey Belle Carried*

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## **The following are the current board:**

### **Grower Members**

Bharat Bhana  
Mike Moleta  
Stuart Wright  
Paul Olsen

### **Trade Members**

John Jackson  
Dacey Belle  
Independent  
Jon Davison

## **General Business**

Chair thanked everyone for their time and being able to adapt to a electronic AGM due to the restrictions that covid has provided us, Chair thanked the Potatoes NZ staff & board for their hard work through the year & wish everyone the best for the current year.

*The meeting closed at 7.13pm*

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