



**OUR STRENGTH  
IS OUR UNITY**

A close-up photograph of two hands holding two ripe, fuzzy kiwifruit. The kiwifruit are a vibrant yellow-green color. The hands are positioned on either side of the fruit, with fingers gently cradling them. The background is a soft, out-of-focus green, suggesting an outdoor setting like a orchard.

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# OUR STRENGTH IS OUR UNITY

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**New Zealand Kiwifruit Growers Incorporated (NZKGI)**  
works to advocate, protect and enhance  
the commercial and political interests  
of New Zealand kiwifruit growers.

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# NZKGI

NEW ZEALAND KIWIFRUIT GROWERS

We represent kiwifruit growers, giving them their own voice in industry and government decision making.

Kiwifruit is New Zealand's largest horticulture export, with sales of over \$2 billion in 2016/17. This represents the value of around half of all New Zealand's horticulture exports. In 2016/17, over 2,500 growers sold 138 million trays of kiwifruit to over 50 markets. The industry is experiencing strong growth which is expected to continue over the coming years.

Our headquarters in the Bay of Plenty, the geographic heart of the kiwifruit industry, is the central hub for the NZKGI Executive Committee, Forum members and staff.



2016/17



**Front page image:** After rolling out its strategy, NZKGI has gone through large changes in the last 12 months. Fresh perspectives and new staff members will enable NZKGI to deliver more for growers during this time that the industry is experiencing rapid development. Fresh perspectives are represented in our image on the front page of this 2017 Annual Report which has brought the NZKGI logo to life.

A man with short grey hair, wearing a light blue button-down shirt, is smiling and looking towards the camera. He is standing in a kiwifruit orchard, with several large, fuzzy kiwifruit hanging from the branches above him. The background is filled with green leaves and branches, creating a natural, outdoor setting. A large, semi-transparent green circle is overlaid on the right side of the image, containing the main text.

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## OUR STRENGTH IS OUR UNITY

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The service that NZKGI provides to growers to advocate, protect and enhance the interests of kiwifruit growers and the success of our sector is dependent on the continuance of a transparent relationship with Zespri and other stakeholders in the kiwifruit industry.

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# CHAIRMAN'S REPORT

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DOUG BROWN

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**Despite a year of challenges, NZKGI has experienced rapid development to become a more effective organisation in its advocacy for growers.**

We saw a season that challenged growers in many ways. Spring saw Hayward bud-break and flower numbers reduced significantly from the previous record year, with less of an impact on SunGold growers. While early weather initially indicated a good dry matter growing season, it all changed in the new year and we battled low sunshine, cyclones, floods and finally frosts during harvest. All going to show, as I have said many times before, that we are a primary industry and weather plays a huge part in our risk profile.

While Hayward was down, SunGold continued its growth for another record production year. Market demand remains very strong and that was reflected in licence tender prices.

The real challenge going forward is how we will pick, pack and deliver our increasing crop to market while ensuring we have the right drivers in place to incentivise size, taste and delivery.

It has been a big year for NZKGI as we set out to deliver on our vision. We had a number of staff changes and appointments. Business Analyst Kate Longman moved on to a new role with Primary ITO. We wish her well and thank her for her contribution to growers especially through the Kiwifruit Industry Strategy Project (KISP) process. Kate was replaced by Katy McGinity who brings a legal background to her role as Policy Analyst and who will coordinate the Education portfolio and

provide policy support in the External Relations portfolio. We also employed Lynda McCalman as Performance & Supply Manager. Her core role is implementing independent monitoring and analysis to assist growers in understanding industry performance. This is a new position and one of the key initiatives of KISP. Finally, in order to be an effective voice for growers, we have employed Mike Murphy as our Communications Manager. Mike's role is to implement our strategy to communicate for and to New Zealand kiwifruit growers and his responsibilities include the Communication and External Relations portfolios.

This year was a very important year for obtaining and maintaining grower support for the levy under which NZKGI is funded. It was pleasing to improve our voter turnout since the last levy round six years ago. I feel this has given NZKGI the endorsement to continue our work on behalf of growers.

This year also saw the establishment of the forum Māori Kiwifruit Growers Incorporated. I look forward to working with them to help strengthen the bonds that underscore our success as an industry with a grower voice. It must be remembered that the service that NZKGI provides to growers to advocate, protect and enhance the interests of kiwifruit growers and the success of our sector is dependent on the continuance of a transparent relationship with Zespri and other stakeholders in the kiwifruit industry: **Our strength is our unity.**

On reflection, this has been a year of exciting change for NZKGI. It is my pleasure to lead a team that is committed to delivering on our vision of becoming a more professional organisation that delivers value to grower stakeholders. We have improved our core roles around communication and compliance, labour, education and health & safety. We have lifted our profile with local and central government as well as our overseas competitors. We have worked constructively with industry partners to discuss the future funding of Zespri's New Zealand fruit business. We now have a funding model that incorporates the KISP principles, is enduring and gives New Zealand growers the best chance of sustainable wealth and prosperity.



**Doug Brown** — NZKGI Chairman





# CHIEF EXECUTIVE'S REPORT

— NIKKI JOHNSON —

I am privileged to lead an organisation that is going from strength to strength in its advocacy. There will be challenges for the sector and I encourage all growers to engage with their representatives to make sure that NZKGI is focusing on issues important to them.

NZKGI has had a fantastic year working on behalf of New Zealand kiwifruit growers, representing their interests across a wide range of issues. This annual report provides a summary of the highlights in each portfolio area and will leave our members feeling confident that their levy funds are being well invested. NZKGI now has a small but stable and enthusiastic staff on board and as promised, there is a focus on the performance & supply and communications portfolios with new appointments in these two areas. Following the approval of the strategic plan last year, we are now focussing on setting high performance workplans for each portfolio area and achieving greater input from our grower base.

NZKGI has been particularly active in three areas over the last year – health and safety, labour availability and

compliance and discussions on the Zespri enduring funding model. All three areas have direct relevance to growers and we have been working hard to ensure growers interests are front of mind. Both health & safety and labour compliance are high-risk areas for growers and our focus will continue to be on helping them understand and meet their obligations.

Our Supply Agreement training was developed specifically for growers and will be made available to all growers this year following the great reviews received so far. The training is all about empowering growers with knowledge and comes highly recommended.

From a financial perspective, the organisation has performed well, with lower expenditure and higher income than budgeted resulting in

a surplus for the 2016 year. This is important as the 2017 year volumes and therefore income were significantly decreased from original budgets and that has resulted in a forecasted deficit for 2017 as NZKGI looks to complete its agreed work programme. Operational efficiencies allow for reduced expenditure in 2018 and a return to more normal volumes sees NZKGI expecting a small deficit in the proposed 2018 budget.

Thank you to all growers who have engaged with NZKGI over the past 12 months. Your involvement is critical to the success of the organisation. Your strong support in the levy referendum gives us the confidence to keep working to achieve the best outcomes for growers in the largest and possibly fastest growing horticulture industry in the country.

# INDUSTRY STABILITY

NZKGI works with all industry players to understand the different operational and cultural dynamics to help establish and maintain important industry relationships.



*Above: Māori Kiwifruit Growers Inc. (MKGI) was launched on 15 June 2017. Homman Tapsell, Doug Brown (NZKGI), Kiritapu Allan, Nikki Johnson (NZKGI), Haki McRoberts, Lain Jager (Zespri), Minister Flavell, James Wheeler, Marita Rancloud, Amy Porter (Zespri), Tiaka Hunia (Chairman of the Maori Kiwifruit Growers Forum).*

**The purpose of the Industry Stability portfolio is to maintain a focus on the stability of the marketing structure and to retain and build upon government relationships.**

## Renewed Levy

In February 2017, New Zealand kiwifruit growers voted in strong support for the continuation of the commodity levy that is in place to fund NZKGI. 87% of growers and 85% of production that voted supported the continuation of NZKGI's funding. On the back of the referendum, an application to the Minister is currently in progress to renew the levy. NZKGI thanks all growers who took part in the referendum for their support and we look forward to working for New Zealand growers for a further six years.

## Kiwifruit Industry Strategy Project (KISP) Implementation

NZKGI has been working closely this year with the Ministry for Primary

Industries alongside Zespri and Kiwifruit New Zealand to achieve amendments to the Kiwifruit Regulations. The process of updating the Regulations has been more drawn out than expected but NZKGI has remained focussed on achieving the outcomes for grower ownership, core business and governance and funding of Kiwifruit New Zealand as supported by growers in the KISP referendum.

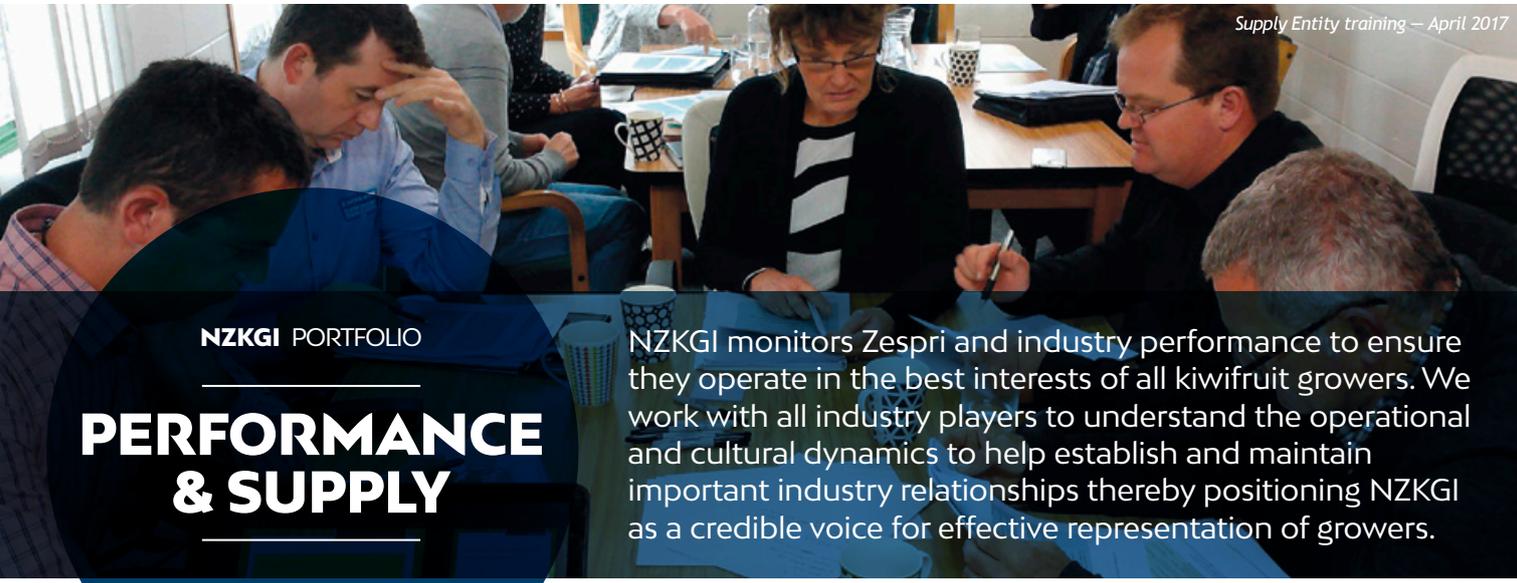
## International Grower Relations Strategy

NZKGI has initiated an International Grower Relations Strategy this year aimed at ensuring that other countries who grow kiwifruit are aware of the role NZKGI plays in the independent representation of growers and in monitoring Zespri's performance. Part of the strategy is also to confirm that the structure of the New Zealand kiwifruit industry and the existence of the Single Point of Entry (SPE) is due to the very strong support of New Zealand kiwifruit growers. NZKGI has advised growers in countries with concerns

about the structure or the behaviour of Zespri that NZKGI will quickly and thoroughly investigate those concerns as the independent representative of New Zealand growers. NZKGI takes the view that in order to maximise the growth of the kiwifruit category internationally, all growers around the world need to work together to maximise the consumer experience. Implementation of this strategy involves meeting with key international figures at the International Kiwifruit Organisation meeting each year and at other events as necessary.

## Māori Forum

In June 2017, NZKGI celebrated the launch of Māori Kiwifruit Growers Incorporated (MKGI). A representative from MKGI is appointed to the NZKGI Forum to ensure that there is effective communication between NZKGI and Māori growers. The initial relationship has started very well and NZKGI looks forward to a strong ongoing relationship with the highly qualified representatives of the MKGI.



## NZKGI PORTFOLIO

# PERFORMANCE & SUPPLY

NZKGI monitors Zespri and industry performance to ensure they operate in the best interests of all kiwifruit growers. We work with all industry players to understand the operational and cultural dynamics to help establish and maintain important industry relationships thereby positioning NZKGI as a credible voice for effective representation of growers.

**The target of the Performance & Supply portfolio is to increase independent monitoring of Zespri, supply chain performance, equity between growers and enhancing the flow of information from Zespri to the grower organisation. The aim is to ensure that growers are assured of the performance of the industry and, where improvements are required, these are identified for action by those in the industry charged with these functions.**

### Appointment of Performance & Supply Portfolio Manager

Lynda McCalman was appointed as the Performance & Supply Portfolio Manager in March, 2017. Lynda, previously a Partner with PwC and a current member of Chartered Accountants Australia & New Zealand (CAANZ), has very strong financial and supervisory capability which she is utilising to strengthen monitoring and transparency on behalf of growers within the kiwifruit industry.

### Enduring Funding

A new enduring funding model to calculate Zespri's margin is under consideration with a view to being completed by mid 2017. This is an outcome of the Kiwifruit Industry Strategy Project (KISP) process and NZKGI has been a key contributor to the discussions thus far, making sure that the proposed model follows the principles outlined by the KISP process. The model utilises the loyalty payment to provide a profit share back to growers in a very transparent way. The new model is intended to be in force for 2017 after which monitoring and reporting will commence.

### Supply Agreement Working Group and Training

NZKGI has developed an independent, grower focused Learning & Development programme to upskill growers on the Supply Agreement. The Supply Agreement Working Group, which was formed last year from supply entity representatives of the Forum, tested the training programme and it has now been made available to all supply entities. Excellent feedback on the training has been received and NZKGI now plans to make the training available to all growers during 2017.

### Zespri Monitoring / Pool Audit

Monitoring of Zespri has been ongoing through regular meetings between Zespri's Senior Executive and Supply team and NZKGI's Executive and Forum members to review current issues and relevant topics. This includes Zespri's five-year plan, performance in the market, forecasts and grower payments.

NZKGI has facilitated an independent audit over the Zespri administered Growers' Pool which will be conducted in August 2017 to provide a level of assurance to growers that allocation between the Corporate and the Pool and allocation between Pools is accurate. NZKGI's Performance & Supply Manager will work alongside the audit team.

### Supply and Payment Oversight

NZKGI monitors industry supply and payment issues through the year, particularly through Forum meetings. Two grower representatives participate in the Industry Supply Group (ISG) meetings and five grower representatives participate in the Industry Advisory Council (IAC), ensuring equitable outcomes for all

growers around supply and payment issues. Through the Weekly Update, NZKGI provides all growers with a summary of discussions that occur through these industry groups.

### Grower Fact Sheets

A series of topical grower fact sheets are being produced, dedicated to a specific subject and stored on the NZKGI website. The fact sheets are intended to serve as short up-to-date overviews, together with links (where applicable) to more in-depth information. To date, two fact sheets have been produced; one on Hail Insurance (which has been released) and one on insurance costs allocated to the Grower Pools (will be released shortly). New fact sheets will be added as new topics come to light.

### Planning Ahead

Over the next 12 months, in addition to topics already mentioned in this summary, the Performance & Supply Portfolio will be focussing on:

- Establishing measurable KPI's / benchmarks for NZKGI monitoring of Zespri.
- Executing a monitoring plan for those areas of Zespri that may require further focus.
- Maximising the potential of the grower pool by working with growers to facilitate greater understanding of reporting and processes, including forecasting, payment systems and incentives.
- Educating growers about what to look for when reviewing their post-harvest and Zespri OGR statements.
- Leading relevant and topical sessions in NZKGI Forum meetings that value-add to Growers.

## COMMUNICATIONS

It is critical that NZKGI has a strong voice in order for the organisation to be a successful advocate for New Zealand's kiwifruit growers.

In the last year NZKGI has started to make significant changes to its communications to ensure that the growers voice is heard by industry stakeholders. No other party in the industry is in a position to communicate on such an unbiased level as NZKGI who puts growers as a first priority.

This year NZKGI created a new role for a **Communications Manager** which was filled by Mike Murphy. Mike has a strong background in corporate communications and his broad knowledge is applicable for the diverse variety of tasks involved in the role.

Following the organisations new strategy, NZKGI has been able to **roll out its communication strategy**. The new strategy allows for a shift in communication from the traditional top-down approach to also encompass a **new bottom-up approach** whereby growers can communicate their needs, values, perceptions and opinions. This will help NZKGI to select and tailor its programs and policies to meet the specific needs of growers. Growers will also see improvements in the way they can provide feedback to NZKGI. Bottom-up communication can already be seen areas such as:

- Gold3 licence release: Consultation with growers and communication to the Zespri Board.
- Response to flooding throughout 2017 season: Grower feedback allowed NZKGI to provide measured support to those effected.

The new strategy also calls for a more strategic use of resources, issue targeting and stakeholder management to direct its resources more strategically to gain legitimacy as an unbiased, mediating voice for growers.

The NZKGI website has undergone a relaunch with a new structure to improve ease of access and a fresh, modern look to be in line with the recent rebrand. The website is now an information hub for growers providing a one-stop-shop for news, information, resources, tools and events and will provide a key outlet for the outcomes of the Performance & Supply portfolio.

Following the roll out of the new communications strategy for NZKGI, the focus has shifted to **building a structure** for NZKGI communications to grow through the construction of plans and policies to effectively communicate to and for growers. In addition, NZKGI has started to **produce collateral** for both growers and external stakeholders as new mediums to communicate industry issues to and for growers.

This year NZKGI **founded the Kiwifruit Industry Communication Group**. The group consists of communicators from across the kiwifruit industry and has the aim to build an informal network between members to handle inter-company topics effectively.

The new dedicated communications manager has allowed NZKGI to have a **stronger voice** externally in both national and local media. NZKGI has been successful in providing a grower focused presence on reactive and proactive topics such as adverse events, industry development and labour issues.



NZKGI PORTFOLIO

# EDUCATION

NZKGI's Labour & Education objective is to develop an active and engaged membership base of growers across New Zealand. In order to achieve this objective NZKGI co-ordinates collaborative industry events and leads various educational programmes.

## Cultivate Your Career

Cultivate Your Career is a one day interactive and collaborative event that promotes the horticulture industry to secondary school students. The tour debunks preconceived ideas of the industry by showing that horticulture offers high-level careers in a range of scientific, technical and commercial areas. Usually held in conjunction with the BOP Young Grower Competition, this year Cultivate Your Career was an event in its own right and brought together 250 Bay of Plenty students from 17 Secondary Schools from around the region. Students were taken on a 'Journey of Discovery' around six innovative businesses in the Te Puke area including Comvita, EastPack, Eurofins Bay of Plenty, Trevelyan's, Plant Food & Research and BayGold.

*Above: Students learning about the kiwifruit industry at Cultivate Your Career 2017*

## Future Leaders

Future Leaders is a dynamic group of people from within, or associated with the horticultural industry who take part in opportunities to learn, share, gain new experiences and network through organised social events and education workshops.

Over the reporting period, the Future Leaders member base has grown to almost 180 people and events for 2016/2017 included:

- An update and discussion with the Independent Chair of the Kiwifruit Industry Strategy Project Neil Richardson.
- An update and discussion with Zespri's Chief Executive, Lain Jager.
- A presentation by HortNZ president, Julian Raine and Vice President Tony Howey.
- A panel discussion involving National MP, Todd Muller, Zespri Director, Teresa Ciprian, Balance CEO Mark Wynne and NZKGI CEO, Nikki Johnson.
- A presentation on communication skills by David Nottage.
- A presentation from aspiring astronaut Karen Wilcox.

## The Kiwifruit Book

Since its inception in 2015, the Kiwifruit Book has continued to provide educators with a resource about the kiwifruit industry as well as act as a source of information for those new to the industry.

In 2017, the book will be once again updated and available online as well as sent to schools across New Zealand.

## The ME Programme

The ME Programme aims to create a model for the horticulture industry and secondary schools to work together and equip students with the skills that employers need when transitioning into the workforce.

2017 saw the launch of the ME programme pilot at Katikati College, which has been supported with funding from BayTrust and the Acorn foundation. The pilot is due to finish at the end of Term 2 with the programme looking to expand into other secondary schools.

The ME Programme website was also launched in 2017 with the help of funding from Priority One and will act as an invaluable tool for those involved with the programme.

### Bay of Plenty Young Fruit Grower Competition

NZKGI is proud to organise this annual event and the 2017 competition made history with the first female taking out the title of BOP Young Grower of the Year.

2017's event was split into two separate days with the day event being held in conjunction with the Te Puke Lifestyle A & P Show where the six contestants battled it out in a series of practical and theoretical challenges.

The Gala Dinner held three days later at ASB Baypark Arena saw the contestants give a speech to the 350 guests in attendance. The contestant speeches were well received by audience members and the event was an all-round success.



**Erin Atkinson**  
 Winner of the 2017  
 Bay of Plenty Young Fruit Grower competition



### Primary ITO & Tertiary Education Institutions

NZKGI continued to work alongside Primary ITO and Tertiary Education Institutions, sits on the Primary ITO Stakeholder Council and chairs the Industry Partnership Group. In addition, NZKGI has formed the Industry Partnership Group for Tertiary Education which is made up of employers from the kiwifruit and avocado industries who work together to provide feedback to education providers about new or existing qualifications, formulate strategy on behalf of industry and provide information about current or future training needs.



Above: Teachers and Board members from Te Puke High School & Katikati College on a ME Programme visit to Hobsonville Point Secondary School.

### Career Expos

To support the initiative of attracting and retaining young people into the industry, NZKGI regularly attend Career Expos. Over the reporting period, NZKGI participated in the Eastern Bay Career Expo, Rotorua Career Expo and Western Bay at Work.

### Women in Leadership

NZKGI has been involved in a steering group working on developing an accurate snapshot of women in horticulture. The group will work to assess how many women there are in the industry and, among other things, what roles they play in the businesses. In addition, it will also carry out qualitative and quantitative analysis of barriers to women reaching leadership positions and what the industry could be doing to encourage more women into and to retain leadership positions.

# LABOUR



Faced with a growing industry that requires more long term skilled and seasonal labour, NZKGI remains at the forefront of policy in this area.

## Employing New Zealanders

The kiwifruit industry takes a strong position on employing New Zealanders as a first priority. One of the initiatives to ensure that New Zealanders are given opportunities to join the industry as permanent employees is the Pipeline Project which is funded by the Ministry for Social Development. This project focusses on identifying unemployed people and assisting them into permanent work placement in the industry. Potential workers are pre-screened for suitability by the project coordinator, Ian Fryer, then provided with pastoral care and placed with an employer in a permanent role. The project has been very successful and 72% of those employed have remained off benefit.

## Seasonal Labour

NZKGI Chairs the Bay of Plenty Labour Governance Group and provides the kiwifruit representative for the National Labour Governance Group. The key activities for both groups are obtaining access to sufficient seasonal labour, including access to the Recognised Seasonal Employer (RSE) programme. RSE workers make up a small but critically important component of the seasonal labour requirements in the Bay of Plenty. NZKGI has worked with employers in the industry to understand the current and future requirements for seasonal labour and to undertake discussions with Government through the National Labour Governance Group on the need for RSE workers. NZKGI has also been leading discussions about seasonal accommodation availability and is currently working to identify the demand for seasonal accommodation and the barriers to development.

## Looking after our Industry's Workers

NZKGI has taken a lead role in working with industry players and Government agencies to ensure that workers employed in the kiwifruit industry are legally allowed to work and are being fairly treated. One of the initiatives focussing on this outcome is the Global GAP GRASP scheme which ran as a pilot last year but is now being introduced across the industry. Many of Zespri's customers require compliance with Global GAP GRASP but many of the requirements of the scheme are also legal requirements in New Zealand. NZKGI has been working to help growers ensure that workers on their properties are legally entitled to work and are being well treated. The use of the worker ID card through the Master Contractors Association is one example of how this can be achieved.

A photograph of three people in conversation outdoors. On the left is a man in a blue checkered shirt. In the center is a woman in a black and white striped jacket over a blue top. On the right is an older man in a grey and black plaid shirt. They are standing in a grassy area with trees in the background.

NZKGI PORTFOLIO

## EXTERNAL RELATIONS

NZKGI was established to enhance the commercial and political interests of New Zealand kiwifruit growers and works on the industry's behalf to lobby change in policy, whilst retaining and building community and local government relationships.

The target of the External Relations portfolio is to build on community and local government relationships whilst being the advocate for kiwifruit growers on wider issues such as health and safety and resource management.

### Grower Obligations

NZKGI has taken an active role in helping growers understand their health & safety obligations under the new Health & Safety at Work Act 2015. The Act requires all growers, regardless of their level of involvement in the management of their property, to get involved in health & safety. In 2017, NZKGI (with support from Zespri) commissioned Beca Consulting to describe kiwifruit growers health & safety obligations, focussing specifically on how those obligations might change depending on the level of involvement

from a third party. NZKGI is now working to provide growers with further guidance utilising the findings of the report including sample contract clauses to use with management companies and templates to help growers meet their health & safety obligations.

### Submissions

In 2017 NZKGI made a submission to the Western Bay of Plenty District Council in response to their draft policy on rentals for encroachments on council land. NZKGI also made a joint submission with KVH to the Northland Regional Council concerning the proposed pest management plan. Additional submissions made included supporting Horticulture New Zealand on proposed plan changes, the National Water Policy Statement as well as Horticulture Export Authority Fees and Country of Origin Labelling.

### Water

Our work on behalf of growers has continued with regards to water access in the BOP through Ross Bawden who represents NZKGI at water meetings and in monitoring the water consent process. This work will become increasingly important both in the BOP and across the country and NZKGI will continue to work with Horticulture NZ to represent kiwifruit growers.

### Spray Use

NZKGI continues to work with people in rural areas on the use of Hi-Cane. This includes the supply of letterbox covers to identify properties where spraying is taking place and advice to people who live in the area about what they should expect from their kiwifruit grower neighbours. NZKGI has also initiated a community engagement programme alongside Zespri.

*Above: Hon Nathan Guy (Minister for Primary Industries) and Hon Anne Tolly (MP for East Coast) talk about the April 2017 flooding with grower Ian Kinvig.*

# ORGANISATIONAL MANAGEMENT



NZKGI's Executive Committee ensures the organisation is professional and well run, with maximum benefit for the levy investment received.

Significant changes have been made to NZKGI staff in 2017 with the creation of two new positions, a Communications Manager and a Performance & Supply Manager. Furthermore, within the NZKGI Forum Richard Pentreath has replaced John Ericksen as the NZKGI representative for the Hawkes Bay/Lower North Island region and Andrew Dawson has replaced Andrew Hill in representing the Coromandel/Waihi region.

Following the approval of the strategic workplan, portfolio leaders and portfolio subcommittees were established. The purpose of the portfolio subcommittees is to address each objective in the Strategic Plan. Executive Committee members have been assigned to lead each of the Portfolios and Forum members have advised which portfolio committee they wish to be part of. Portfolio committees have now been established.



**Doug Brown**  
Chairman



**Mark Mayston**  
Vice Chairman



**Tony Leicester**  
Member



**Simon Cook**  
Member



**Mike Smith**  
Member



**Andre Hickson**  
Member



**Nikki Johnson**  
Chief Executive Officer



**Mike Murphy**  
Communications Manager



**Lynda McCalman**  
Performance &  
Supply Manager



**Katy McGinity**  
Policy Analyst



**Renee Fritchley**  
Project Coordinator



# NZKGI

NEW ZEALAND KIWIFRUIT GROWERS

• MISSION • STATEMENT •

**To advocate, protect and enhance the commercial and political interests of New Zealand kiwifruit growers.**

• OBJECTIVES •

To develop an active and engaged membership base of growers across New Zealand.

LABOUR & EDUCATION

To facilitate effective communication between NZKGI and the wider industry and community.

EXTERNAL RELATIONS

To be the voice and credible advocate of New Zealand kiwifruit growers.

COMMUNICATIONS

To actively support and protect the single point of entry.

INDUSTRY STABILITY

To act responsibly and ethically on all economic, environmental, social, and regulatory issues to the benefit of NZKGI and the wider community.

ORGANISATIONAL MANAGEMENT

To be accountable for increasing transparency, robust KPI's, and reporting on Zespri and postharvest performance.

PERFORMANCE & SUPPLY

• VISION •

**A strong grower advocacy organisation that leads growers and engages with industry partners.**

# STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 December 2016

	NOTES	2016	2015
<b>Revenue</b>			
<b>Revenue from Provision of Services</b>			
Commodity Levy		1,243,083	1,077,546
Kiwifruit Employment Co-ordinator Funding		141,228	42,882
Board Secretary Fees		-	20,962
Employee Training Funding		-	38,256
Miscellaneous Income		-	6,906
<b>Total Revenue from Provision of Services</b>		<b>1,384,310</b>	<b>1,186,552</b>
<b>Interest and Investment Revenue</b>			
Interest Received		2,882	8,896
<b>Total Interest and Investment Revenue</b>		<b>2,882</b>	<b>8,896</b>
<b>Total Revenue</b>		<b>1,387,193</b>	<b>1,195,448</b>
<b>Total Revenue</b>		<b>1,387,193</b>	<b>1,195,448</b>
<b>Expenses</b>			
Executive Committee & Forum Members		299,025	277,915
Operations		101,901	109,465
Staff Costs		426,549	365,083
Industry Good		90,352	86,776
Employment Co-ordinator Costs		123,771	87,694
Employee Training		-	36,508
Overheads		121,596	116,652
<b>Total Expenses</b>		<b>1,163,194</b>	<b>1,080,092</b>
<b>Net Operating Profit / (Loss) Before Tax</b>		<b>223,999</b>	<b>115,356</b>
<b>Provision for Tax</b>			
Provision for Tax		527	2,211
<b>Total Provision for Tax</b>		<b>527</b>	<b>2,211</b>
<b>Net Profit / (Loss)</b>		<b>223,472</b>	<b>113,145</b>

These summary financial statements must be read in conjunction with the Notes to the Summary Report.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	NOTES	31 DEC 2016	31 DEC 2015
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash		604,034	344,051
Debtors		183,973	93,459
Accrued Income		301,295	401,352
<b>Total Current Assets</b>		<b>1,089,302</b>	<b>838,862</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		15,424	7,573
Intangibles		4,455	-
<b>Total Non-Current Assets</b>		<b>19,879</b>	<b>7,573</b>
<b>Total Assets</b>		<b>1,109,181</b>	<b>846,436</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Credit Cards		2,094	1,324
Creditors		43,844	42,221
Accruals and Provisions		77,372	54,268
Accrued Holiday Pay		9,490	381
Accrued Payroll		13,621	-
Income in Advance		-	16,803
GST Payable		11,340	3,482
Tax Provision		676	1,280
Loans		595	-
<b>Total Current Liabilities</b>		<b>159,032</b>	<b>119,758</b>
<b>Total Liabilities</b>		<b>159,032</b>	<b>119,758</b>
<b>Net Assets</b>		<b>950,149</b>	<b>726,677</b>
<b>Equity</b>			
Retained Earnings		950,149	726,677
<b>Total Equity</b>		<b>950,149</b>	<b>726,677</b>

For and on behalf of the Society:



Doug Brown – Chairman



Mark Mayston – Vice Chairman

These summary financial statements must be read in conjunction with the Notes to the Summary Report.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	2016	2015
<b>Equity</b>		
Opening Balance	726,677	613,532
<b>Increases</b>		
Net Surplus for the Period	223,472	113,145
<b>Total Increases</b>	<b>223,472</b>	<b>113,145</b>
<b>Total Equity</b>	<b>950,149</b>	<b>726,677</b>

These summary financial statements must be read in conjunction with the Notes to the Summary Report.

# NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended 31 December 2016

These summary financial statements have been extracted from the audited financial statements prepared for New Zealand Kiwifruit Growers Incorporated, and authorised for issue by the Board on 30 June 2017. The full financial statements were prepared as special purpose reports for the purpose of reporting to members. This is a change in framework due to withdrawal of the differential reporting framework which was previously applied.

The financial statements are prepared on a historical cost basis, and are presented in New Zealand dollars (NZ\$) and rounded to the nearest \$ unless otherwise stated.

These summary financial statements do not include all of the disclosures contained in the full financial statements and therefore do not provide as complete an understanding to readers as that which would be provided by the full financial statements. Full financial statements, which have been audited, can be obtained by contacting NZKGI via the following:

Phone: **0800 232 505**

Postal address: **PO Box 4246 Mount Maunganui South 3149**

Email: **info@nzkgi.org.nz**

# BUDGET

	2016 ACTUAL	2017 AGM BUDGET	2017 REVISED BUDGET	2018 AGM BUDGET
<b>Revenue</b>				
Commodity Levy	1,243,083	1,500,000	1,254,300	1,400,000
Employment Co-ordinator Funding	141,228	-	-	-
Interest	2,882	8,000	8,000	6,300
	1,387,193	1,508,000	1,262,300	1,406,300
<b>Total Revenue</b>	<b>\$1,387,193</b>	<b>\$1,508,000</b>	<b>\$1,262,300</b>	<b>\$1,406,300</b>
<b>Expenses</b>				
Executive Committee & Forum Members	299,025	371,688	319,106	339,699
Staff Costs	426,549	638,460	638,460	641,331
Overheads	121,596	170,593	170,593	152,118
Operations	101,901	-	-	-
Industry Good	90,352	-	-	-
Employment Co-ordinator Costs	123,771	-	-	-
Industry Stability	-	29,275	86,275	61,275
Communications	-	75,075	89,075	71,475
Performance	-	82,600	75,600	73,700
Labour/Education	-	48,095	48,095	49,415
External Relations	-	46,591	46,591	46,591
Organisational Management	-	43,625	32,125	31,425
<b>Total Expenses</b>	<b>1,163,194</b>	<b>1,506,002</b>	<b>1,505,920</b>	<b>1,467,029</b>
<b>Net Operating Profit / (Loss) Before Tax</b>	<b>223,999</b>	<b>1,998</b>	<b>(243,620)</b>	<b>(60,729)</b>
Provision for Tax	527	-	-	-
<b>Net Profit / (Loss)</b>	<b>223,472</b>	<b>1,998</b>	<b>(243,620)</b>	<b>(60,729)</b>
Prior Year Retained Earnings	726,677	950,149	950,149	706,529
<b>Retained Earnings Year End</b>	<b>950,149</b>	<b>952,147</b>	<b>706,529</b>	<b>645,800</b>



## **Every season has its challenges and 2017 was no exception.**

Many areas across New Zealand were affected by low sunshine, cyclones, floods and finally frosts which made harvest relatively disruptive.

However, growers – and the primary industry as a whole – are a resilient bunch who are used to surprises.

**Producing a world class product isn't easy –  
but New Zealand's kiwifruit growers can be  
proud to say that they're the best at it.**

