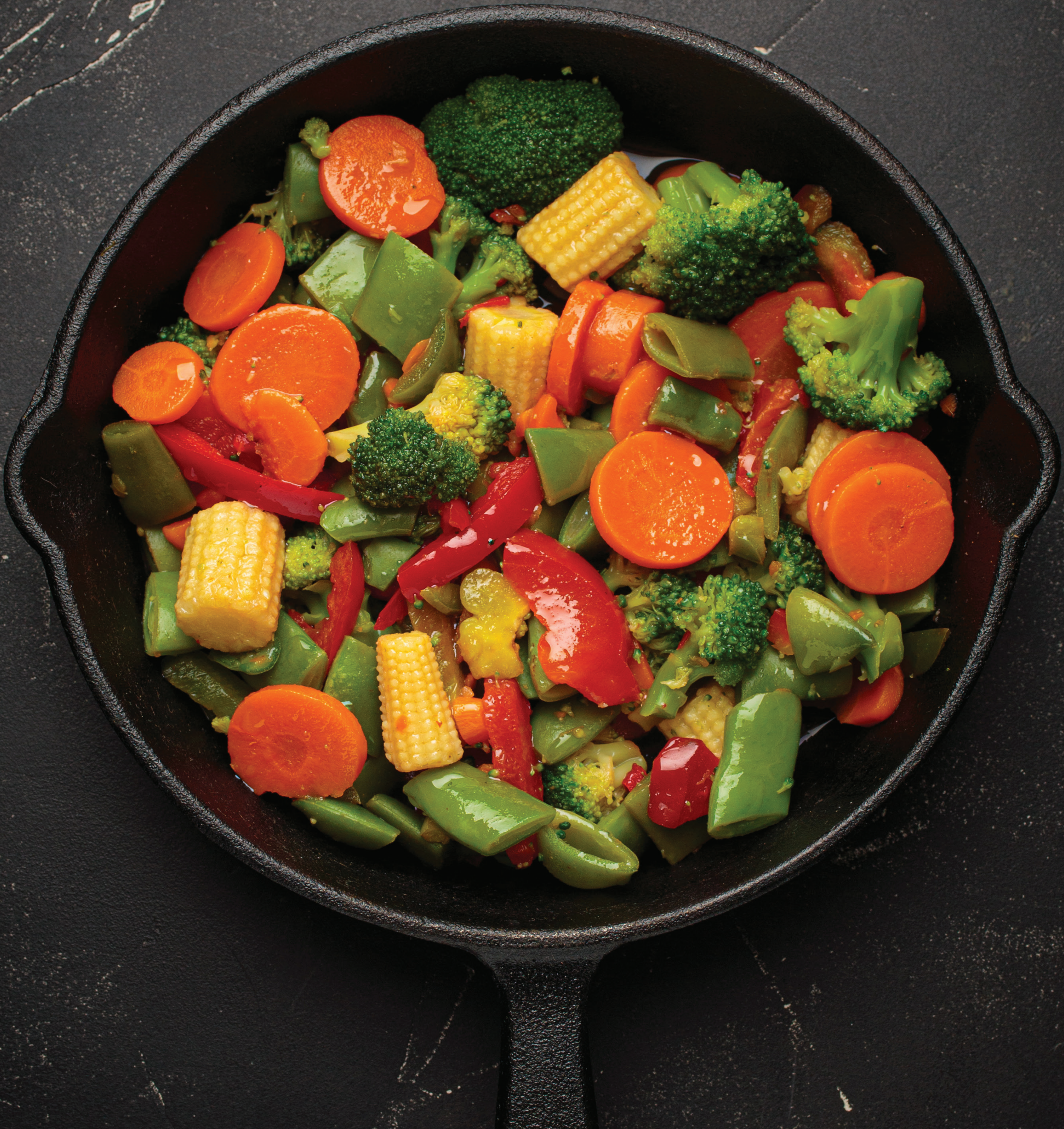
Process Vegetables NZ

# Annual Report + AGM Papers

YEAR ENDED 31 MARCH 2026



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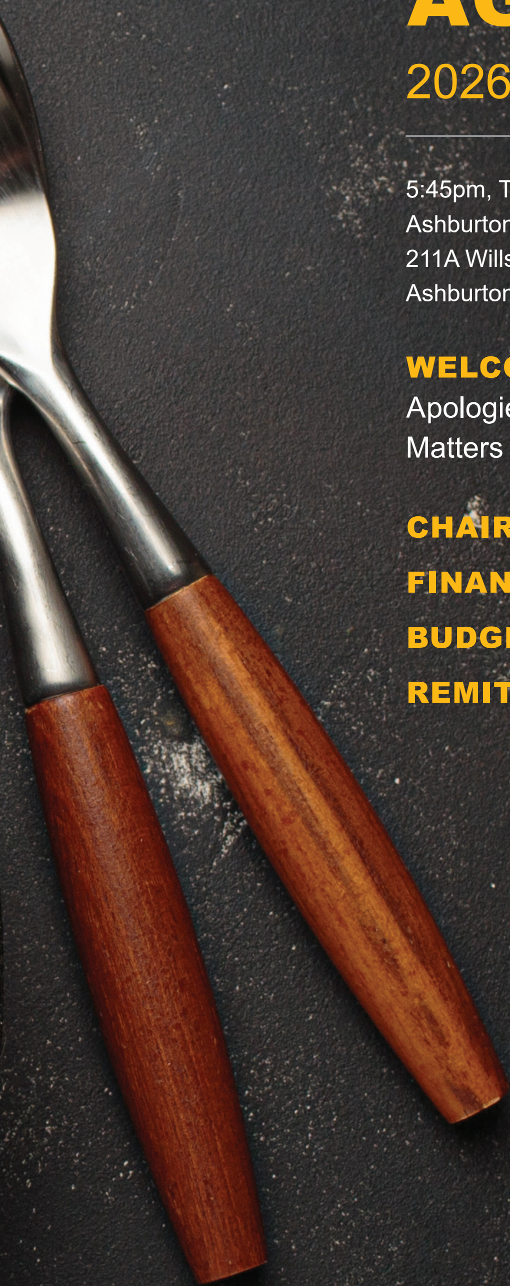

# AGM AGENDA

## 2026 ANNUAL GENERAL MEETING

5:45pm, Tuesday 25th August
Ashburton Events Centre
211A Wills Street
Ashburton

# DRAFT MINUTES

## 2025 ANNUAL GENERAL MEETING

14 August 2025, 7:45pm – 8:15pm
Havelock North Function Centre,
30 Te Mata Road,
Havelock North

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**PRESENT:**
David Hadfield, Calvin Gedye, Nigel Lucas, Simon Lochhead, Bruce MacKay, Mike Arnold, Joel Hewson, Allan Machakaire, Hugh Ritchie, Dan Bloomer, Ben Prebble, John Evans

**APOLOGIES:**
Penny Reynolds, John Reynolds, Gareth Holder

**IN ATTENDANCE:**
Matt Thorn, Heidi Hitchman (Online Secretariat)

### MINUTES:

### 1. WELCOME

The Chair David Hadfield welcomed everyone to the meeting and covered the meeting procedures

### 2. APOLOGIES

Apologies were received from Penny Reynolds, John Reynolds & Gareth Holder.

**Moved: David Hadfield/Calvin Gedye**
**That:** The apologies be accepted

**CARRIED**

### 3. OBITUARIES

No obituaries were advised

### 4. PROXIES

No proxies were advised

### 5. CONFIRM 2024 AGM DRAFT MINUTES (REMIT 1)

The Minutes from the Annual General Meeting held on 1 August 2024 were **taken as read.**

**Moved: PVNZ Board/Nigel Lucas**
**That:** The Minutes of the Annual General Meeting held on 1 August 2024 were accepted as a true and accurate record of the meeting subject to moving Joel Hewson from apologies to being present.

**CARRIED**

### 6. CHAIR AND BUSINESS MANAGER'S 2025 ANNUAL REPORT (REMIT 2)

The Chair and Business Manager spoke to their reports presented.

**Moved: PVNZ Board/ Simon Lochhead**
**That:** The Chair's report for the year ended 31 March 2025, as published in the 2025 Process Vegetables NZ AGM papers, be taken as read and adopted.

**CARRIED**

### 7. FINANCIAL STATEMENTS 2025 (REMIT 3)

The Business Manager spoke to the Financial Statements for Financial Year 2025. It was noted that an edit was required regarding meeting fees (director fees, meeting expenses & honorariums) in the report. This would be updated and circulated post meeting.

**Moved: PVNZ Board/ Bruce McKay**
**That:** The audited Process Vegetables NZ financial statements for the year ended 31 March 2025 be adopted.

**CARRIED**

## 8. LEVIES (REMITS 4 & 5)

The Levies were discussed for the 2025-2026 year.

### 2025-2026 PVNZ Commodity Levy

**Moved: PVNZ Board/Simon Lochhead**
**That:** The Commodity Levy rate for process vegetables remain at 0.80% (80 cents per $100 at the first point of sale for all process vegetables).

**CARRIED**

### 2025-2026 PVNZ Bio-security Levy

**Moved: PVNZ Board/Bruce MacKay**
**That:** The Process Vegetables Biosecurity Levy for the current levy year, 1 April 2025 and ending on 31 March 2026 be set at 0% or until such time as the Process Vegetables NZ Board vary the levy rate to meet its commitments to readiness or response costs.

**CARRIED**

## 9. BUDGET 2026 (REMIT 6)

The Business Manager spoke to the proposed budget for FY2026.

**Moved: PVNZ Board/Mike Arnold**
**That:** That the budget for the year ended 31 March 2026 be endorsed.

**CARRIED**

## 10. CONFIRM PVNZ BOARD ELECTIONS

The following grower is available for election and deemed elected as there are no opposing candidates:

- **Nigel Lucas**

Congratulations and welcome to the Board Nigel Lucas

## 11. APPOINTMENT OF AUDITOR (REMIT 7)

The Business Manager spoke to the appointment of the Audit for the 2026 Financial Year noting that PVNZ is currently actioned as part of a wider audit via HortNZ.

**Moved: PVNZ Board/Nigel Lucas**
**That:** BDO Wellington will do the Audit under the HortNZ umbrella for the Year Ended 31 March 2026. (Note: This is now PKF Kendons)

## 12. GENERAL BUSINESS

Nil

## MEETING CLOSED 8:15PM


# CHAIRMAN & BUSINESS MANAGER'S REPORT

**"The 2026 season was marked by significant change within the processed vegetable industry, with the announced closure of Heinz Wattie's Canterbury frozen vegetable operations and McCain Foods' Hastings processing facility creating considerable uncertainty across the sector."**

**DAVID HADFIELD**
**CHAIRMAN**

**MATT THORN**
**BUSINESS MANAGER**

These decisions will have a major impact on growers, processors and regional communities, particularly in Hawke's Bay and Canterbury, where many growers have historically supplied these processing facilities. The reduction in processing capacity will significantly reshape New Zealand's processed vegetable industry and presents major challenges for growers and the wider supply chain.

Process Vegetables New Zealand acknowledges and thanks all growers for their loyalty, professionalism and commitment over many decades. Their contribution has been fundamental to the success of the processed vegetable industry in New Zealand.

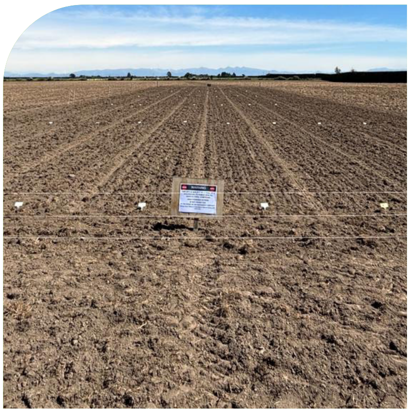
## Seasonal Overview

The 2025–26 growing season delivered generally favourable conditions across most production regions, although crop performance varied between regions and crop types.

## Hawke's Bay

Hawke's Bay experienced a strong season overall, with good production volumes and high-quality crops. Carrot yields were lower than anticipated, reducing overall production despite favourable growing conditions.

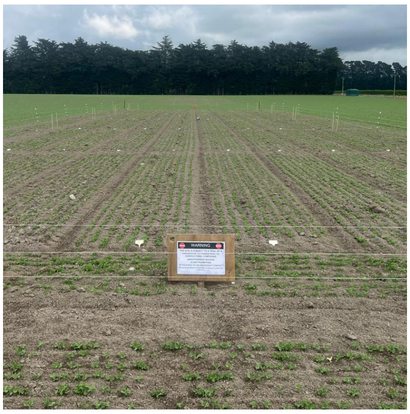
Several significant wind events during February caused damage to bean crops and to sweetcorn crops harvested after this period. The wind affected plant stands and pod development, resulting in reduced yields and variable crop quality in the later harvests. Pea crops harvested prior to the February wind events generally performed well and met quality expectations.



## Canterbury

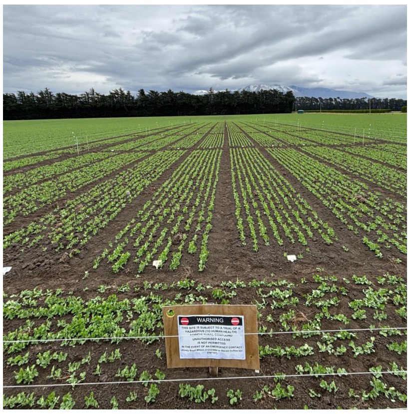
The 2025–26 season in Canterbury was characterised by highly variable weather conditions. Winter rainfall from July to September was well below average, followed by significantly wetter-than-normal conditions from November through March. Spring temperatures were considerably warmer than average, while summer temperatures were cooler than normal.

Wind was also a significant challenge, with multiple severe wind events during the season, including a red warning and state of emergency declared on 23 October due to damaging winds. Further storms during late spring also resulted in multiple damaging hail events in December and January.



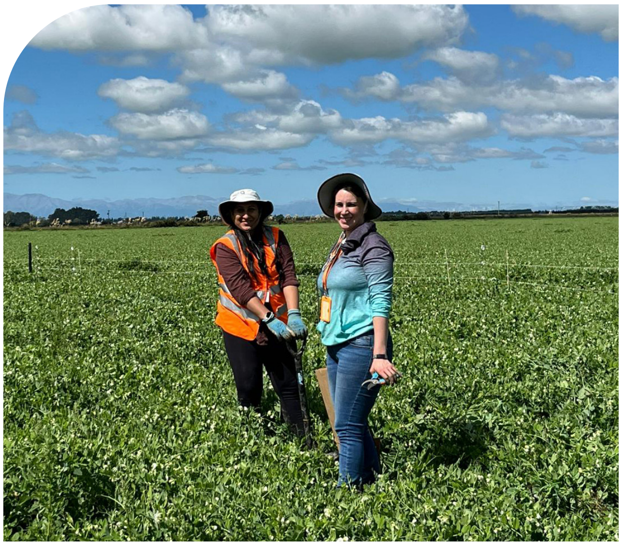

**Broad Beans** matured as expected, with harvesting completed in November 2025. Despite challenging wet winter conditions, crops achieved average yields and produced good quality raw material.

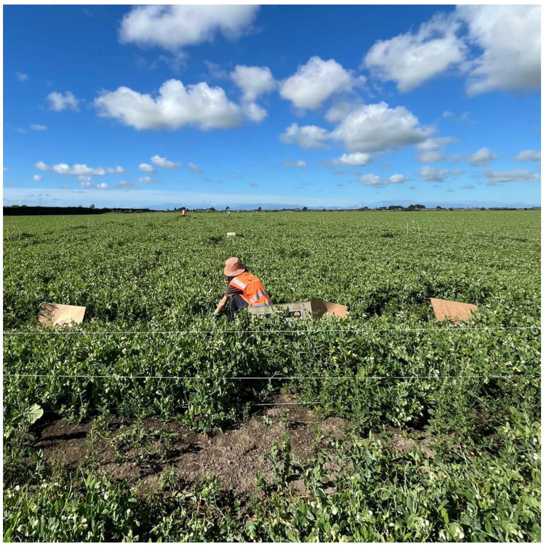
**Peas** experienced an extremely challenging season due to highly variable weather conditions. While planting and early crop establishment were favourable, a seed-related issue affected some crops and repeated adverse weather events created difficulties with weed control, flowering and crop development. Prolonged damp conditions from December through to March increased disease pressure and made maintaining quality through to harvest more difficult. Overall yields were reduced and delivered volumes were significantly below expectations.




**Dwarf Beans** were successfully harvested; however, total contracted production was significantly reduced due to lower processor demand. Early crops produced above-average yields, while later crops were more variable due to the prolonged wet conditions experienced from January through to March.

**Carrots** performed well despite challenging spring conditions. Crops established and developed successfully, achieving average yields and very good raw material quality. Drier harvesting conditions in April assisted final crop outcomes.





## Research & Development Highlights

**Fusarium in peas and Sclerotinia in dwarf beans**

A major initiative currently underway is the Biologicals Project, a collaboration between A Lighter Touch, Process Vegetables New Zealand, Heinz Wattie's (Kraft Heinz), McCain Foods and Plant & Food Research (part of the newly established Bioeconomy Science Institute).

This multi-year project is investigating alternatives to synthetic fungicides for managing *Fusarium* in peas and Sclerotinia in dwarf beans – two major disease threats to the processed vegetable industry. The work responds to increasing regulatory restrictions, market demand for more sustainable crop protection, and the need to reduce reliance on conventional chemistry.

Initial trial results have been encouraging, with several biological products demonstrating consistent performance. While seasonal conditions have influenced results from year to year, the project has identified the flowering period as the critical timing for Sclerotinia control. The programme is now entering its fourth year, with expanded trials in Hawke's Bay. With the closure of the two processors involved in the project we have had to abandon doing demonstration trials next season. However, we have plans well underway to develop a toolkit to highlight the results of the last four years' work. We will also include helpful information for other industry groups such as Fresh Vegetables and Arable.

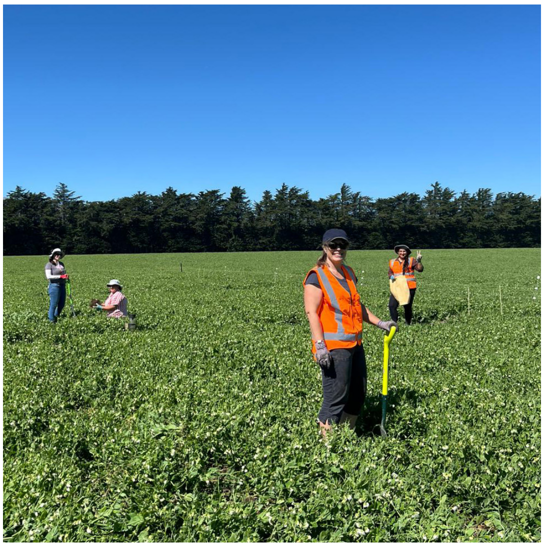
Together, these research projects support improved sustainability, productivity and resilience while positioning New Zealand's process vegetable growers as early adopters of next-generation crop protection technologies.

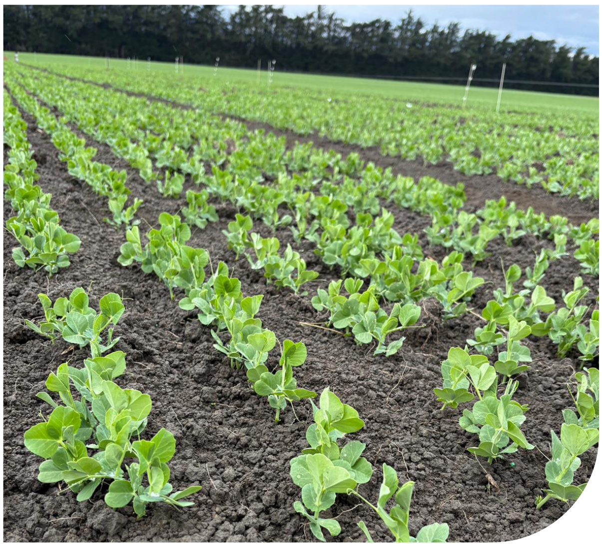
**Ascochyta Management in Process Peas**

A programme has commenced to evaluate alternative fungicide options for the management of ***Ascochyta* disease in process peas**. The trial, supported through A Lighter Touch, Process Vegetables New Zealand and Foundation for Arable Research (FAR), is evaluating a range of new chemistry and biological products to assess their effectiveness in reducing disease infection and maintaining crop quality.

Four Canterbury field trials were undertaken during the 2025–26 season, assessing candidate compounds alongside current industry standards. The programme aims to identify effective disease management tools, support future product registrations where appropriate, and provide growers with additional options as regulatory requirements and market expectations continue to evolve.

The trial is evaluating both soft chemistry and biological solutions, reflecting the industry's ongoing focus on developing sustainable crop protection strategies.





## Consolidation of Vegetable Product Groups – New Zealand Vegetable Council

Following extensive grower feedback, sector workshops and structural analysis, a business case has been developed recommending the consolidation of the vegetables sector in New Zealand. TomatoesNZ, Onions New Zealand, Vegetables New Zealand and Process Vegetables New Zealand have taken up the challenge and set up a single industry-good organisation, the **New Zealand Vegetable Council.** Process Vegetables New Zealand is working through the process of joining the group formally. This has taken more time than the other groups due to the downsizing of our sector and is complicated by the fact that we are still inside Horticulture New Zealand.

The purpose of the consolidation is to strengthen strategic leadership, improve operational efficiency and ensure the long-term sustainability and capability of the vegetable sector.

Currently, approximately **$5.5 million** in grower levies and **$7.7 million** in total annual income support 15 staff working across five separate organisations. While each product group has delivered significant value to its members, the current structure results in duplicated administration, increasing operating costs, fragmented advocacy and limited capacity to build strategic capability. Although there is no single issue driving the review, the cumulative effect of these inefficiencies presents a compelling case for change.

## Outlook

Looking ahead, a significant reduction in the contracted growing area is expected, with grower payments forecast to decline from approximately **$55 million** to around **$20–25 million** across the sector.

This reduction will require a more sustainable approach to industry representation and support. A new operating structure is being developed to better manage reduced industry revenue while maintaining essential services. This is expected to include closer collaboration with other vegetable product groups to improve efficiency, maximise available resources, and ensure growers continue to receive effective advocacy, research support, technical support and biosecurity leadership during this period of transition.

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## PROCESS VEGETABLES NZ

# SUMMARY FINANCIAL STATEMENTS

## Statement of Financial Performance

For the Year Ended 31 March 2026

| | NOTES | 2026 ($) | 2025 ($) |
|---|---|---|---|
| **INCOME** | | | |
| Interest | | 16,862 | 25,541 |
| Other Income | | - | 65,851 |
| Grant Income | | - | - |
| Levy Income | | 473,063 | 492,380 |
| **Total Income** | | **489,925** | **583,772** |
| **EXPENDITURE** | | | |
| **Research & Development** | | | |
| PGP Admin and Projects | | - | - |
| Research Projects | | 284,176 | 453,882 |
| Research Other | | - | - |
| **Total Research & Development** | | **284,176** | **453,882** |
| **GIA/Biosecurity** | | | |
| GIA & Biosecurity Meetings | | 2,494 | 5,258 |
| GIA Incursion/Response | | 29,650 | 16,654 |
| GIA Readiness | | | |
| **Total GIA/Biosecurity** | | **32,144** | **21,912** |
| **Product Group Meetings & Travel** | | | |
| Conference Expenses | | - | - |
| Director/Travel/Meeting Fees | | 81,533 | 74,009 |
| **Total Meetings & Travel** | | **81,533** | **74,009** |

| | NOTES | 2026 ($) | 2025 ($) |
|---|---|---|---|
| **EXPENDITURE** | | | |
| **Office & Communications** | | | |
| Consultancy - Website | | - | - |
| General Expenses | | 1,647 | 3,639 |
| Grower Magazine Support | | | |
| Office Overheads | | 23,803 | 23,753 |
| Print, Postage & Phones | | | |
| Promotion | | 21,931 | 15,091 |
| Salaries | | 98,713 | 105,998 |
| **Total Office & Communications** | | **146,094** | **148,481** |
| **TOTAL EXPENDITURE** | | **543,947** | **698,284** |
| **SURPLUS / DEFICIT TO BE TRANSFERRED** | | **(54,022)** | **(114,512)** |

| | | |
|---|---|---|
| **RESERVES** | | |
| Opening Reserves | 695,166 | 809,678 |
| Surplus / (Deficit) | (54,022) | (114,512) |
| Closing Reserves | 641,145 | 695,166 |

# BUDGET 2027

For the year ended 31 March 2027

| | BUDGET 2026 |
|---|---|
| **INCOME** | **$** |
| Levies Vegetables | 220,000 |
| Research revenue | - |
| Grant funding | - |
| Interest income | 20,000 |
| Other income | - |
| **INCOME TOTAL** | **240,000** |
| | |
| **EXPENSES** | |
| Salaries | - |
| Kiwisaver | - |
| Annual leave | - |
| Contractors (staff roles) | 95,000 |
| Board and committee fees | 34,000 |
| Board travel and accommodation | 27,000 |
| Research contribution | 20,000 |
| Meeting costs | 5,000 |
| Travel (air, transfers and parking) | 8,000 |
| Travel accommodation | 2,000 |
| Travel meals and entertainment | 2,000 |
| Promotions | 17,000 |
| Legal | 2,000 |
| Biosecurity/GIA | 30,000 |
| General expenses | 2,000 |
| Overhead allocation | 20,000 |
| Collection fee | 17,000 |
| **EXPENSE TOTAL** | **281,000** |
| | |
| **NETT** | **-41,000** |

# FINANCIAL STATEMENTS & BUDGET SUMMARY

## FINANCIAL STATEMENTS

### INCOME

Our overall levy income is similar to last year. However, as highlighted elsewhere in this report, this level of income is not sustainable and is expected to decline significantly in the coming years.

### EXPENDITURE

Our people costs are similar to last season. Process Vegetables New Zealand is staffed by Daniel Sutton for research, Anna Bloxham for biosecurity, Heidi Hitchman for administration and Matt Thorn as business manager. Research is our main focus and where our largest expenditure occurs. With uncertainty around customer demand and contracted volumes, we have not started any new projects, although we have carried on with the ones already underway.

GIA (Government Industry Agreement) costs dropped back to a base level as we had no new incursions to combat. The format of the accounts differs from previous years to reflect income and expenditure by nature and to be consistent with Horticulture New Zealand presentation.

The net result for Process Vegetables NZ was a loss of $54,022, which gives Accumulated Funds of $641,145.

## BUDGET

### INCOME

With the loss of two main processors, we have based our budget on an estimate of $28m in farm gate sales. Most of our income arrives in the last two months before balance date, which makes budgeting a challenge.

### EXPENDITURE

We have now cancelled the contracted staff time from Vegetables NZ for research extension, and the General Manager has been given formal notice that the current role will end. We are now in the process of restructuring the organisation to create a lower-cost and more efficient operating model.

The Board holds one meeting in Wellington and another in a growing region each year, in addition to the Annual General Meeting. The research figure is an estimate based on the projects to which we currently have commitments. Any further project funding would initially need to be met from cash reserves.

We have a GIA biosecurity levy in place which is currently set at zero. This would not be invoked unless a major pest incursion takes place.

# AGM REMITS

## 2026 ANNUAL GENERAL MEETING

The following Remits proposed by the Process Vegetables NZ Board, will be considered at the Process Vegetables NZ AGM.

### REMIT 1

That the draft Minutes of the Process Vegetables NZ AGM, 14 August 2025, be taken as a true and correct record of that meeting.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*The draft minutes are included with the 2026 Process Vegetables NZ AGM papers, circulated to all members and available at www.processvegetables.co.nz.*

### REMIT 2

That the Chair and business manager's report for the year ended 31 March 2026, as published in the 2026 Process Vegetables NZ AGM papers, be taken as read and adopted.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*The Chair and business manager's report is included with the 2026 Process Vegetables NZ AGM papers, circulated to all members and available at www.processvegetables.co.nz.*

### REMIT 3

That the audited Process Vegetables NZ financial statements for the year ended 31 March 2026 be adopted.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*The audited Process Vegetables NZ component of the HortNZ financial statements is included with the 2026 Process Vegetables NZ AGM papers, circulated to all members and available at www.processvegetables.co.nz.*

## REMIT 4

That the Commodity Levy rate for process vegetables remains at 0.80% (80 cents per $100 at the first point of sale for all process vegetables).

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*The levy rate of 0.80% effective from 1 April 2025 was approved at the last Commodity Levy Referendum. The Commodity Levies (Process Vegetables) Order 2025 came into effect on 1 April 2025 and remains in place until March 2030.*

## REMIT 5

That the Process Vegetables Biosecurity Levy for the levy year beginning 1 April 2026 and ending on 31 March 2027 be set at 0% or until such time as the Process Vegetables NZ Board vary the levy rate to meet its commitments to readiness or response costs.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*The Biosecurity (Readiness and Response – Process Vegetables Levy) Order 2020 came into force on 10 August 2020. On 23 November 2017 members agreed to a separate biosecurity levy being initially set at 0% with a maximum rate of 0.50% of gate sales value. It was agreed any adjustment to the biosecurity levy rate would be set at the discretion of the Process Vegetables NZ Board.*

## REMIT 6

That the Budget for the year ending 31 March 2027 be endorsed.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*A copy of the Budget for the year ending 31 March 2027 that has been prepared and approved by the PVNZ Board is included with the 2026 Process Vegetables NZ AGM papers, circulated to all members and available at www.processvegetables.co.nz.*

## REMIT 7

That PKF Kendons Wellington be appointed auditors for the financial year ending 31 March 2027.

**Proposed by the Process Vegetables NZ Board**

**Explanatory Note**

*PKF Kendon Wellington were awarded the contract to complete the audit for Horticulture New Zealand and its contracted organisations (including Process Vegetables NZ) for the 2026-27 year. Process Vegetables NZ and Horticulture NZ intend to continue that arrangement.*

**Process Vegetables New Zealand**

**Horticulture New Zealand**
**Level 4, Fisher Funds House**
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**processvegetables.co.nz**