

**KIWIFRUIT
GROWERS
INDEPENDENT
ADVOCATE**

KIWIFRUIT GROWERS INDEPENDENT ADVOCATE

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

CONTENTS

CHAIRMAN'S REPORT	3
CHIEF EXECUTIVE OFFICER'S REPORT	4
KEY PORTFOLIOS	
INDUSTRY STABILITY	5
PERFORMANCE AND SUPPLY	6
COMMUNICATIONS	7
EDUCATION	8
LABOUR	10
EXTERNAL RELATIONS	11
ORGANISATIONAL MANAGEMENT	12
STRATEGIC PLAN	13
SUMMARY OF 2017 FINANCIAL STATEMENTS	14



NZKGI

NEW ZEALAND KIWIFRUIT GROWERS

Our Story Aotearoa, New Zealand

NZKGI represents all Growers around New Zealand through our Forum, Executive Committee and staff members.

We divide our work into six portfolios:

- **Communication** to and for Growers
- **External Relations** to advocate for Growers with community and local government
- **Organisational Management** to run NZKGI efficiently and effectively
- **Industry Stability** to maintain relationships amongst industry players
- **Performance & Supply** to report on industry performance
- And our **Labour & Education** portfolio to attract and retain members of the industry as well as identify future labour requirements



The future of the kiwifruit industry is bright and an essential part of New Zealand's economy. Growers sell millions of trays of our high-quality fruit to markets around the world every year.

The industry is projected to grow significantly, creating jobs and generating substantial revenue. With such huge growth predicted, there's an even greater need for the Growers' voice to be heard. And NZKGI will be there to advocate, support and protect New Zealand's kiwifruit Growers.

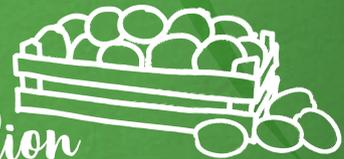
Together, we are successfully growing the New Zealand kiwifruit industry.

NZKGI, the voice of New Zealand's kiwifruit Growers.

2017
Global Revenue
from NZ trays:
\$2.1 billion



NZ Trays:
123 million
64m Green / 52m SunGold / 7m Other



FRONT PAGE IMAGE

Kiwifruit Growers unbiased advocate: The cover image of the 2018 Annual Report represents the many different issues New Zealand's kiwifruit Growers face on and off their orchard. As the industry continues along its growth phase, NZKGI will be there for them – providing independent advocacy, purely in Growers best interests.

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

Our Strength is Our Unity

Safeguarding the SPE remains a key focus and our unity remains our greatest strength in the face of global competition and risks to our industry.



CHAIRMAN'S REPORT

DOUG BROWN

A Strong Year of Growth

On the back of new plantings and Hayward cutover, SunGold saw another lift in volume and Hayward volumes recovered somewhat from last year's low. Again, the onshore supply chain faced significant challenge to pick, pack and deliver these increased volumes to shipside.

Insatiable global demand for SunGold is creating huge and rapid change in our industry that only a few years ago we could hardly have imagined. This is driving the recovery of land values, licence demand and price, and as a result, Zespri share price. It is also driving increasing levels of indebtedness and risk that comes with that.

With our team in place and much work to do, this year saw NZKGI roll up its sleeves and take a step forward in our output on behalf of Growers. We have provided Growers with information factsheets, advice and advocacy particularly around Health & Safety and worker welfare responsibilities. We advocated for greater access to SunGold licence this year and into the future. As a result, Zespri announced a 5-year strategy for licence release so Growers had something to plan around. We have also been active in representing Grower views in various industry working groups.

NZKGI took the lead in developing a seasonal needs analysis and labour demand model in collaboration with industry partners. This was a huge piece of work but vital in our efforts to work with Government on having a reliable and sustainable workforce to

fulfil our growth aspirations. This will be ongoing and in association with other key focus areas such as water and land.

As an outcome of KISP we conducted an independent audit of the pools to provide a level of assurance to Growers that the allocation of costs between the Corporate and the Pool and allocation between Pools is accurate, and it was reassuring that no material errors requiring adjustment were identified. The next step is developing key metrics for reporting on Zespri performance.

This year we saw the Enduring Funding agreed last year come in to play for the first time. Growers will see reduced margins over the next few years and have already seen a lift in the loyalty payment which reflects the profit share back to Growers from improved performance of Zespri.

This year we saw long serving Zespri CEO Lain Jager step aside and we welcomed Dan Mathieson to the role. Lain will be remembered for his stewardship of the industry through difficult times to the market leader it is today. Dan will drive a greater market focus into the business going forward.

Despite the changes, some things remain a constant and being market led, not supply driven, will underpin our sustainability long term. We must continue to be world leaders in our product offering to consumers. As the varietal mix changes, market allocation and optimisation of Grower returns will be key areas for attention.

Safe guarding the SPE remains a key focus and our unity remains our greatest strength in the face of global competition and biosecurity threats.

On a personal note, it was great to see Danni van der Heijden take out the Young Grower of the Year competition. Second time that a woman has won the competition and encouraging to see young people coming through into leadership positions. Mike Smith stood down from the Exec after many years of service and we welcomed Debbie Oakley in his place and with her background will add greater diversity to the NZKGI Executive Committee which continues to be my pleasure to lead.

Myself, the Executive Committee, the Forum and the NZKGI staff look forward to continuing working hard for Growers in the coming year.



Doug Brown — NZKGI Chairman





CHIEF EXECUTIVE'S REPORT

— NIKKI JOHNSON —

NZKGI's small team of dedicated staff has had a very productive year on behalf of New Zealand's kiwifruit Growers.

This has been a year of consolidation for the team. We have welcomed permanent staff in the Performance & Supply and Communications portfolios and have grown our experience in other portfolios. We have provided tangible outputs and strategic leadership across a range of areas and Growers can be confident their levy funds are being maximised. Across our portfolio's the NZKGI team have been focused on providing professional independent representation for our members.

Management of Grower levy funds has been prudent, despite a significant budgeted loss for 2017, the organisation finished the year with a small surplus. We are tracking well for 2018 and even with some significant new projects underway, look set to operate close to budget. For 2019, we are asking for approval of a budget showing a small loss which will be funded from retained earnings. The organisation is in good financial shape which is important as NZKGI's workload continues to expand.

The focus for the next year will include representing Growers' interests in the key areas of labour and water. Regulatory changes and a new limit setting process in the Bay of Plenty for access to water will impact on Growers now and into the future and NZKGI will be working with Growers closely. Following the release of the NZKGI report identifying seasonal labour requirements for the next 10 years, the focus will now be on working with industry and Government to prevent future labour shortages and put in place a long-term strategy that supports industry growth. The industry also needs to consider our requirements for permanent skilled workers and make sure that the training and education system is providing the right people and that we are attracting the best and brightest talent to the industry.

The Performance and Supply portfolio will continue to lead in the proactive sharing of transparent information to Growers driving a culture that sees decisions made in Growers' best

interests. The KPI project will provide Growers with specific feedback on Zespri's performance as it rapidly grows. NZKGI will continue to offer Supply Agreement training to upskill Growers and help them make the best decisions for their businesses.

The Communication portfolio continues to underpin all of our activities with professional representation at the heart of all we do. NZKGI finds ourselves in the media on some very challenging subjects and we are always refining our approach and our messaging to best represent our Growers. For the coming year, we have a couple of exciting projects up our sleeves and we plan to top last year's successful Grower Debate with a new subject later in 2018.

The New Zealand kiwifruit industry is in great shape with an exciting future ahead. With rapid growth come some challenges and NZKGI is here to help Growers work through these. Thank you for your support over the past 12 months and as always, I welcome your feedback and input.



Above: In December 2017, NZKGI hosted the President of Fedefruta, Luis Schmidt

NZKGI PORTFOLIO

INDUSTRY STABILITY

Through the Industry Stability portfolio, NZKGI continues to support the marketing structure of the Single Point of Entry (SPE) as requested by the vast majority of New Zealand kiwifruit Growers.



2017 IKO Meeting

Our focus is on developing strong relationships with Government, industry and our international counterparts while identifying and mitigating threats.

International Grower Relations Strategy

NZKGI has continued to develop our International Grower Relations strategy demonstrating the role of NZKGI as the independent representative for Growers and responsible for the monitoring of Zespri performance. NZKGI led the New Zealand delegation to the International Kiwifruit Organisation meeting in 2017 where the main kiwifruit producing countries meet to discuss the growth of the kiwifruit category globally. NZKGI also hosted the President of Chile's Fedefruta, Luis Schmidt, in Tauranga for two days of discussions on how the New Zealand kiwifruit industry structure operates and how NZKGI and Fedefruta can collaborate for the benefit of Growers in both countries. NZKGI continues to work closely with relevant New Zealand Government departments to support the continuation of the current structure which New Zealand Growers choose to support. In 2018, NZKGI

will visit Chile to further develop relationships and understanding with Chilean Government and industry representatives.

Kiwifruit Industry Strategy Project (KISP) Implementation

Several key outcomes from the KISP process have been completed in the last year including the new methodology for calculating Zespri's margin, the establishment of Key Performance Indicators for Zespri, the amendment of the Kiwifruit Regulations and subsequent amendment to Zespri's constitution. NZKGI has been actively involved across all of these projects to implement outcomes chosen by Growers in the KISP referendum. The vast majority of the outcomes that Growers sought have been achieved and NZKGI is now focused on the last remaining outcomes from KISP including Grower ownership and Zespri core business.

PERFORMANCE & SUPPLY

NZKGI monitors Zespri and industry performance to ensure the industry works in the best interests of all kiwifruit Growers.

We work with all industry players to understand the operational and economic dynamics and establish and maintain important industry relationships thereby positioning NZKGI as a credible voice for effective representation of Growers.

The 2018 financial year has been an active one for the Performance & Supply portfolio with significant progress being made to increase independent monitoring of Zespri, supply chain performance, equity between Growers and enhancing the flow of information from industry to Growers. The overarching goal has been to ensure that Growers are assured of the performance of the industry and, where improvements are required, these are identified for action by NZKGI on behalf of Growers.

Key objectives achieved during the year include the following:

Grower Fact Sheets and Guides

With the target of leading in the proactive sharing and transparency of information to Growers, topical Grower fact sheets and guides have been produced on a variety of topics and stored on NZKGI's website. Dedicated subjects have included the 2018 Pool Hail Insurance Cover, Requirements for Growers who are Lessees, 2018 Supply Agreement Schedule 5 Guide, NZKGI Growers Guide to Zespri Group Ltd Shares, and Grower Payments Guide. New fact sheets and guides will continue to be shared as new topics come to light.

Supply Agreement Working Group and Training

NZKGI has developed an independent, Grower focused Learning & Development training course to upskill Growers on the Supply Agreement.

While this course had previously been made available to all Supply Entities, it was also offered to Growers for the first time this year. In total, 191 personnel have been trained through the delivery of 14 courses. Feedback received has been excellent and further courses will be offered to Growers in the coming year.

Enduring Funding

A new enduring funding model to calculate Zespri's margin has been agreed and is in force. This positive outcome follows extensive discussion between NZKGI, Suppliers and Zespri and is a key outcome of the KISP process. Zespri's margin will decrease over the next two years by schedule and then will move into an enduring model where the margin is set based on Zespri's profit. In addition, the loyalty payment to Growers (currently 25 cents per tray), now includes a mechanism to equally share with Growers any profit Zespri makes from NZ Supply over 1% of net NZ kiwifruit sales. NZKGI has been a key partner in the development of the margin agreement and has focused on ensuring that Growers receive the best possible result. NZKGI will also take a lead role in monitoring the implementation of the agreement and reporting to Growers via the Key Performance Indicators project.

Key Performance Indicators (KPI's)

As an outcome of the KISP process, one essential element of the Performance & Supply portfolio is the establishment of a series of KPI's that provides Growers with an authoritative and robust assessment of Zespri's performance.

These KPI's have been agreed with the NZKGI's Executive Committee and Forum, as well as Zespri management. NZKGI will now be producing:

- a Quarterly KPI Grower Dashboard, with the intention of publishing the first in June/July, and subsequently in the months of September, December and March of each year.
- an Annual KPI Grower Dashboard to coincide with the Annual Reports of Zespri, NZKGI, KVH and KNZ. This will be released in July/August each year.

Grower Pool Audit

In August 2017 NZKGI facilitated an independent audit over the Zespri administered Growers' Pool to provide a level of assurance to Growers that allocation between the Corporate and the Pool and allocation between Pools is accurate. The audit was completed and the audit report can be located on NZKGI's website. The audit found no material misstatements and no material errors requiring adjustment. The auditors did make some recommendations for improvement to areas of the Pool Policy manual and accounting system controls and NZKGI is monitoring completion of these in readiness for the 2019 season.

Supply and Payment Oversight

NZKGI monitors industry supply and payment issues continually during the year through regular meetings between Zespri's Senior Executive and Supply team and NZKGI's Executive and Forum members. Two Grower representatives participate in the Industry Supply Group (ISG) meetings and five Grower representatives participate in the Industry Advisory Council (IAC), to work towards 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.

COMMUNICATIONS

Throughout 2017/18, NZKGI has progressed its communication strategy with a focus on gathering Grower views and presenting them externally to give NZKGI a stronger representative voice.



Promoting New Zealand's kiwifruit Growers

NZKGI has continued to become stronger within the kiwifruit industry by becoming more vocal in its positions to stakeholders and the wider general public. One avenue is the communication of Grower opinion, sourced from Grower surveys and NZKGI Representative feedback. This information gives NZKGI an informed perspective on critical topics such as adverse weather events and the 2018 labour shortage which can be presented to the wider public via the media.

Over the last year NZKGI has continued to further strengthen the promotion of New Zealand kiwifruit Growers and the role of NZKGI through mediums which explain NZKGI's purpose to external stakeholders and new industry members. One example is via the creation of a short film demonstrating NZKGI's role to stakeholders which will be launched at the 2018 AGM.

Such examples combined with professional media management illustrate that NZKGI punches above its weight and ensures that the value of the New Zealand kiwifruit industry and the role of NZKGI is retained and enhanced.

Gathering Grower opinion

NZKGI's communication portfolio is NZKGI's core for Grower engagement. The sharing of information between Growers and the organisation not only helps Growers to be more profitable, but gives NZKGI's external communication the ability to make statements that are representative of the industry.

In 2017, NZKGI Regional Meetings were first held across New Zealand and were continued in 2018. These meetings, which host small numbers of Growers, provide high quality, in-depth discussions on topics important to kiwifruit Growers and have received very positive feedback. The Great Grower Debate which was also initiated in 2017 to stimulate Grower opinion was also very successful. A large number of Growers attended the debate to discuss if the New Zealand kiwifruit industry is a "bull market with plenty of opportunity".

NZKGI will also continue to encourage communication between Growers and their NZKGI representatives through mechanisms such as the Top of Mind email. The email is sent to Growers by their Regional Representative and requests feedback that can be taken to the NZKGI Forum meetings. This ensures that representatives are presenting their regions' opinions at Forum meetings.

NZKGI Communications is the voice of, and the voice to, New Zealand's Kiwifruit Growers.

Transferring knowledge

NZKGI continues to benefit Growers through the distribution of collateral such as publications, factsheets and media to inform and educate Growers and stakeholders on important topics that affect their bottom line.

These materials are well received by Growers and particular note must be made of NZKGI's newsletter, the Weekly Update, which has become one of the industry's strongest communication mediums. The focus is on providing short, relevant information on key industry issues and there are plans to increase readership further.

NZKGI has been focused on building and maintaining relationships across the industry to communicate NZKGI's direction and has established the Kiwifruit Industry Communications Group to achieve this. NZKGI is well respected by external stakeholders within the primary industry and media and is recognised for communicating NZKGI's views on topics such as labour compliance, the labour shortage and seasonal updates.

NZKGI PORTFOLIO

EDUCATION



2018 Bay of Plenty Young Fruit Grower Competition



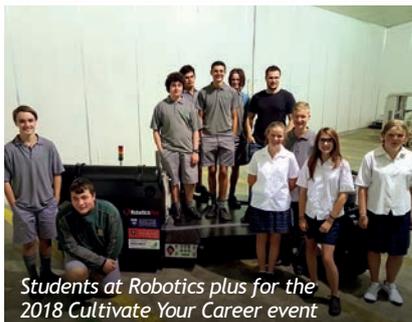
Eastern BOP Career Expo



2018 Bay of Plenty Young Fruit Grower Competition



2018 Bay of Plenty Young Fruit Grower winner Danni van der Heijden



Students at Robotics plus for the 2018 Cultivate Your Career event



Future Leaders event



Cultivate Your Career

In 2018, Cultivate Your Career was held in both the Eastern Bay of Plenty and the Western Bay of Plenty with over 240 Secondary School Students from across the region taking part in the event. The theme of 'multi-faceted innovation' focused on businesses involved in marketing and process innovation. Students in the Western Bay of Plenty visited the Port of Tauranga and Robotics Plus and Eastern Bay of Plenty students visited OPAC and New Zealand Manuka with Zespri presenting at both events. NZKGI partnered with Priority One, Toi EDA, Kiwi Leaders, Tuhono Whenua Horticulture, Toi Ohomai, and Pacific Coast Technical Institute in organisation of the event.

Future Leaders

Since Future Leaders was formed in 2014, the membership base has grown to over 180 active members. Events are free to attend and are an opportunity to network with likeminded people, to learn more about the industry and to provide professional development.

Events for 2017/2018 included:

- Horticulture industry quiz night
- Zespri AGM debrief with Lain Jager
- DISC personality profiling workshop
- An orchard ownership seminar
- An update and discussion with Zespri's Chief Executive, Dan Mathieson

Tertiary Training Providers

NZKGI continues to work alongside Tertiary Training Providers through chairing the Kiwifruit & Avocado Industry Tertiary Training Group and as a member of the Primary ITO Stakeholder Council. The focus is on ensuring that the training that is needed by students and employers in the industry is available.

Women in Horticulture

NZKGI were involved in the steering group who commissioned and contributed toward the UMR Research report on women in horticulture. This report was presented at the Horticulture NZ Conference where NZKGI CEO, Nikki Johnson chaired the session involving a panel of female leaders in the horticulture industry. As part of its work in this space, NZKGI has initiated reporting on diversity within the organisation.



2018 Bay of Plenty Young Fruit Grower Contestants



2018 Bay of Plenty Young Fruit Grower Competition

Educational Resources

Horticulture Career Pathways

NZKGI have developed a career pathway map to illustrate the career opportunities available within the kiwifruit industry. The key is to demonstrate that from science to engineering to orchard management everyone can find their training and career pathway in horticulture.

The Kiwifruit Book

For the first time in 2017, the Kiwifruit Book was made available in hardcopy and sent to secondary schools and Growers throughout New Zealand. In 2018 the book will undergo a significant refresh to ensure it contains up to date, relevant information on the kiwifruit industry.

Bay of Plenty Young Fruit Grower Competition

NZKGI is proud to organise this event alongside the Bay of Plenty Young Fruit Grower Upskilling Committee. The day event was once again held in conjunction with the Te Puke A&P Show with the Gala Dinner taking place at ASB Arena. The Gala Dinner was the largest ever and sold out with 400 guests attending the evening hosted by comedian Ben Hurley.

2018's winner was Danni van der Heijden who will go on to represent the Bay of Plenty at the National Young grower competition being held in the Hawke's Bay in August.

Horticulture Capability Group & Career Expos

NZKGI are a member of the Horticulture Capability Group (HCG) that is a national initiative to help attract young people into careers in horticulture. Other members of this group include NZ Avocado, Horticulture NZ, Apples & Pears NZ, and Vegetables NZ. The HCG have partnered with Whenua Ora, a programme which promotes primary sector pathways to Maori Youth.

At a regional level NZKGI attend Bay of Plenty career expos and over the reporting period participated in the Eastern Bay of Plenty Career Expo and the Western Bay of Plenty Canvas Careers Expo.

LABOUR

Seasonal labour

A shortage of seasonal workers has been a focus of the 2018 harvest season. After identifying a shortage of 1200 workers during harvest, NZKGI worked with the Ministry of Social Development to have a labour shortage declared in the Bay of Plenty from 7 May until 8 June 2018.

The publicity attracted through the labour shortage declaration meant that at least half the vacancies were filled including approximately 220 visitors who applied to vary the conditions of their visas as a result of the declaration.

Labour needs analysis

In 2017, NZKGI initiated a project to identify the seasonal labour needs of the industry currently and into the future. The project will provide the data that the industry needs to explain current and projected labour shortages. The data provides a platform to work with Government in the establishment of a strategy to ensure the industry has the labour needed to meet growth opportunities.

Focus areas

NZKGI continues to chair the Bay of Plenty Labour Governance Group as well as representing kiwifruit at the National Steering Group. A major focus of these groups is to ensure employers have access to sufficient seasonal labour, including the RSE Scheme. The data generated through the Needs Analysis completed by NZKGI will be used to support a request for more RSE workers in 2019. Other issues such as transport, accommodation and employing New Zealanders are key focus areas for the industry.

Looking after our industry's workers

NZKGI continues to partner closely with Zespri and the industry to uphold worker welfare. NZKGI chairs the Industry Labour Compliance Governance Group and is a member of the working group which sets the standard. For the 2018 season it became mandatory for all labour contractors to register and pass a Global GAP/GRASP audit. Growers are now required to ensure that they only use approved contractors on their orchards. To assist Growers to manage their obligations, NZKGI developed an orchard services agreement for them to utilise when engaging contractors on their orchards. NZKGI also provided a factsheet for Seasonal Workers to help them understand their rights when working in kiwifruit.

Permanent labour needs

NZKGI intends to undertake a follow-up project to better understand permanent labour needs for the industry over the next ten years. This will help ensure that NZKGI's education activities are focusing on attracting and training the people that the industry needs for growth.

EXTERNAL RELATIONS



Government

NZKGI has continued to focus on building strong relationships with Ministers, officials and MPs in Central Government.

With a change of Government there have been new Ministers to meet and explain the role of NZKGI and new policy developments that have needed our input. NZKGI will continue to be a strong and respected advocate for New Zealand's kiwifruit Growers.

Health & Safety

In collaboration with Zespri, NZKGI has worked with Beca Consulting on several projects over the past year to better understand kiwifruit Grower obligations in Health & Safety. Guidance material was developed to help Growers understand their obligations as a PCBU ('person conducting business or undertaking'). This four-step guide sets out the steps Growers need to take to manage their orchard health and safety obligations and includes a decision tree for Growers to confirm their role as a PCBU.

In addition, a factsheet is now available to help Growers understand the various health and safety software systems available. This review was completed against a set of requirements identified by kiwifruit industry representatives and has been collated into a comparison table. The table is intended to be a tool to help inform kiwifruit Growers in their decision making should they choose to utilise a health and safety software system.

Submissions

NZKGI continues to work alongside Horticulture New Zealand on proposed plan changes and to coordinate kiwifruit specific input when required. In 2018 NZKGI have made submissions on and/or have supported the following matters:

- New Zealand Transport Agency (NZTA) Tauranga Northern Link;
- Bay of Plenty Regional Council Regional Land Transport Plan;
- Bay of Plenty Regional Council Proposed Plan Change 13 – Air Quality;
- Horticulture New Zealand's memorandum on an application for a water conservation order in the Hawke's Bay;
- Draft Import Health Standard for Actinidia Plants;
- Horticulture NZ's submission on the Tax working group;
- Horticulture NZ's submission on Regional Fuel Tax.

Regional Council

NZKGI continues to work on behalf of Growers regarding water matters and have actively been working with Bay of Plenty Regional Council on proposed Plan changes and on the unconsented water takes project which aims to confirm the activity status of 140 unconsented water abstractions in the BOP. Alongside Zespri, NZKGI has supported the development of kiwifruit specific modelling tools for future planning use.

Regional Councils throughout New Zealand are currently working toward the implementation of the National Policy Statement for freshwater. NZKGI has and will continue to work alongside Horticulture NZ to ensure the view of kiwifruit Growers in all regions are considered in this process. Sustainable access to water will be an increasingly important issue for kiwifruit Growers.

Irrigation

NZKGI in conjunction with the BOP Regional Council organised an Irrigation Training Day facilitated by Irrigation New Zealand which involved a review of orchard systems and practical tests. The outcome for trainees was an increased understanding of the different components to irrigation good management practice and how system efficiency checks fit into this.

NZKGI PORTFOLIO

ORGANISATIONAL MANAGEMENT



Doug Brown
Chairman



Mark Mayston
Vice Chairman



Tony Leicester
Member



Simon Cook
Member



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

The organisational management portfolio continues to ensure the smooth management of NZKGI through, for example, the production of the Forum Members Guide which sets out expectations for NZKGI Forum Representatives, a review of the NZKGI rules and prudent management of NZKGI's finances.

In 2017 the Vice-Chairperson and two Executive committee positions were up for re-election. Mark Mayston was reinstated as Vice-Chairperson, Andre Hickson was reinstated as an Executive Committee member and Debbie Oakley was instated as a new Executive Committee member. Mike

Smith decided not to seek re-election to the NZKGI Executive Committee and retired by rotation. 2017 also saw the resignation of Terry Richards as Te Puke Forum representative. Terry is a former NZKGI Chairperson and was a Forum member over many years. Terry was replaced by Ross Bawden. Lesley McKenzie, a long-standing Forum member stood down as the representative for MPAC and was replaced by Sally Gardiner. Craig Pooley stood down as the ISG representative and was replaced by Forum member Chris Anstis. NZKGI thanks the Forum members mentioned for their contribution to NZKGI.

Diversity Reporting

NZKGI has begun reporting on diversity in the graph below to raise awareness that the best representation comes from diversity. While NZKGI recognises that diversity is much more than gender, this information is a starting point. As we achieve a greater understanding of the makeup of our industry, we look forward to seeing this diversity reflected in our organisation.

Diversity within NZKGI





NZKGI

NEW ZEALAND KIWIFRUIT GROWERS

• MISSION • STATEMENT •

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

• OBJECTIVES •

LABOUR & EDUCATION

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

EXTERNAL RELATIONS

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

COMMUNICATIONS

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

INDUSTRY STABILITY

To actively support and protect the single point of entry.

PERFORMANCE & SUPPLY

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

ORGANISATIONAL MANAGEMENT

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

• VISION •

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

STATEMENT OF FINANCIAL PERFORMANCE

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2017

ACCOUNT	NOTES	2017	2016
Revenue			
Revenue from Provision of Services			
Commodity Levy		1,227,556	1,243,083
Kiwifruit Employment Co-ordinator Funding		131,479	141,228
Total Revenue from Provision of Services		1,359,035	1,384,310
Interest and Investment Revenue			
Interest Received		6,121	2,882
Total Interest and Investment Revenue		6,121	2,882
Total Revenue		1,365,156	1,387,193
Total Revenue		1,365,156	1,387,193
Expenses			
Executive Committee & Forum Members	6	260,718	299,025
Staff Costs	7	575,398	426,549
Employment Co-ordinator Costs		131,378	123,771
Industry Good		-	90,352
Operations		-	98,590
Communications		49,538	-
External Relations		36,147	-
Industry Stability		59,655	-
Labour / Education		36,427	-
Organisational Management		20,312	-
Performance		56,360	-
Overheads	8	134,776	124,907
Total Expenses		1,360,708	1,163,194
Net Operating Profit / (Loss) Before Tax		4,448	223,999
Provision for Tax			
Provision for Tax	14	1,434	527
Total Provision for Tax		1,434	527
Net Profit / (Loss)		3,014	223,472

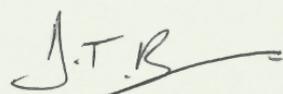
These financial statements should be read in conjunction with the Notes to the Summary Financial Statements.

STATEMENT OF FINANCIAL POSITION

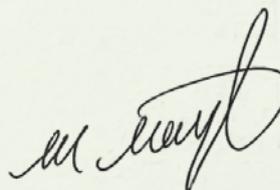
New Zealand Kiwifruit Growers Incorporated
 As at 31 December 2017

ACCOUNT	NOTES	31 DEC 2017	31 DEC 2016
Assets			
Current Assets			
Bank accounts and cash	3	880,023	604,034
Debtors		182,274	183,973
Accrued Income	4	-	301,295
Total Current Assets		1,062,297	1,089,302
Non-Current Assets			
Property, Plant and Equipment		18,582	15,424
Intangibles		4,455	4,455
Total Non-Current Assets		23,037	19,879
Total Assets		1,085,334	1,109,181
Liabilities			
Current Liabilities			
Credit Cards		1,955	2,094
Creditors		35,889	43,844
Accruals and Provisions	5	54,449	77,372
Accrued Holiday Pay		28,711	9,490
Accrued Payroll		-	13,621
GST Payable		10,039	11,340
Tax Provision	14	362	676
Loans		766	595
Total Current Liabilities		132,171	159,032
Total Liabilities		132,171	159,032
Net Assets		953,163	950,149
Equity			
Retained Earnings		953,163	950,149
Total Equity		953,163	950,149

For and on behalf of the Society:



Doug Brown – Chairman



Mark Mayston – Vice Chairman

These financial statements should be read in conjunction with the Notes to the Summary Financial Statements.

STATEMENT OF CHANGES IN EQUITY

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2017

ACCOUNT	2017	2016
Equity		
Opening Balance	950,149	726,677
Increases		
Net Surplus for the Period	3,014	223,472
Total Increases	3,014	223,472
Total Equity	953,163	950,149

These financial statements should be read in conjunction with the Notes to the Summary Financial Statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2017

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 23/04/2018. The full financial statements were prepared in accordance with the Special Purpose framework for use by for-profit entities issued by the New Zealand Institute of Chartered Accountants.

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**

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

BUDGET

New Zealand Kiwifruit Growers Incorporated

	2017 ACTUAL	2018 AGM BUDGET	2018 REVISED BUDGET	2019 AGM BUDGET
Income				
Commodity Levy	\$1,227,556	\$1,400,000	\$1,400,000	\$1,480,000
Interest Income	\$6,121	\$6,300	\$6,300	\$6,300
Project Income	\$131,479	-	-	-
TOTAL INCOME	\$1,365,156	\$1,406,300	\$1,406,300	\$1,486,300
Expenses				
Exec Cmte & Forum Members	\$260,718	\$339,699	\$351,699	\$351,699
Staff	\$575,397	\$641,331	\$636,331	\$649,849
Overhead Expenses	\$134,776	\$152,118	\$148,026	\$167,894
Industry Stability	\$59,655	\$61,275	\$61,275	\$49,000
Communications	\$49,538	\$71,475	\$69,475	\$69,775
Performance	\$56,360	\$73,700	\$73,700	\$69,900
Labour/Education	\$36,427	\$49,415	\$49,415	\$48,690
External Relations	\$36,147	\$46,591	\$56,591	\$54,791
Organisational Management	\$20,312	\$31,425	\$34,425	\$34,425
Project costs	\$131,378	-	-	-
TOTAL EXPENSES	\$1,360,708	\$1,467,029	\$1,480,937	\$1,496,022
Net Operating Profit / (Loss) Before Tax	4,448	(60,729)	(74,637)	(9,722)
Provision for Tax	1,434	-	-	-
Net Profit / (Loss)	3,014	(60,729)	(74,637)	(9,722)
Prior Year Retained Earnings	950,149	953,163	953,163	878,526
Retained Earnings Year End	953,163	892,434	878,526	868,804

These financial statements should be read in conjunction with the Notes to the Summary Financial Statements.



Labour, water and land

Just as kiwifruit vines require soil, water and sun to grow, the kiwifruit industry requires labour, water and land. As business booms and kiwifruit volumes increase, the value of these three components become ever more precious. Over the coming years, labour, water and land will remain high priorities for NZKGI to ensure Growers can continue to do what they love.

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