



New Zealand
Apples & Pears®

Annual Report 2025



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Chair's Report

This year has been one of the most promising in recent memory, marked by exceptional fruit quality, strong industry performance, and a renewed sense of optimism across our sector. We've also made significant progress in strengthening our financial performance, deepening our partnerships, and preparing for the future.

A Vintage Season for Quality and Volume

The 2025 harvest has been nothing short of outstanding. From early February, growers across the country reported excellent fruit quality and size, particularly among early varieties such as Royal Gala. This early and abundant harvest has the potential to see the sector exceed last year's billion-dollar revenue milestone. The consistency of quality across the regions has buoyed grower confidence and will reaffirm New Zealand's reputation for world-class apples and pears.

Supporting Growers Through Financial Relief

We were pleased to return value directly to our growers in 2024-2025. A credit back of levy funds was made possible through the release of uncalled capital from our long-standing investment in Prevar. A portion on this was used to provide relief to growers at a time when they needed it most, while the rest has been prudently allocated to a contingency reserve. This reserve, equivalent to three months of operating expenditure, ensures that NZAPI can continue to deliver essential services even in the face of unforeseen challenges.

Biosecurity: A Timely Response, But a Depleted Fund

This year also brought two separate fruit fly incursions, costing the industry approximately \$285,000. Thanks to sound financial planning, we were able to respond swiftly and effectively. However, these events have significantly depleted our biosecurity fund. Rebuilding this reserve will be a priority moving forward, as the risk of biosecurity threats remains ever-present.

Prevar: A Strategic Investment Maturing

Our \$14 million investment in Prevar over the past two decades is beginning to show signs of maturity. With the organisation now forecasting profitability, we enter a new phase – one where we expect growers to see tangible returns. Prevar's focus on expanding Piqa® production and aligning R&D with consumer and grower needs is well aligned with NZAPI's strategic direction. We are also taking a more active role in this investment to ensure it delivers value for the sector.

Strengthening Government Partnerships

Our relationship with Government has never been stronger and NZAPI is recognised as a trusted voice across Central Government and within key ministries. This is reflected in an excellent statement of service including:

- 24 submissions submitted to Government
- 33 hosted Government delegations
- Five international delegations participated in
- Considerable weight given to NZAPI market access applications
- 23 research reports commissioned
- Regular meetings and communications with critical Ministerial offices.

The Government's ambition to double exports within the next decade aligns closely with our own goals, and we are well-positioned to contribute meaningfully to this national objective.

In Closing

I want to acknowledge the exceptional efforts of growers and the NZAPI team over the past 12 months, as well as all those who contribute to the success of our industry. The resilience, innovation, and commitment shown continues to inspire. It is a privilege to serve as your Chair, and I look forward to what we can achieve together in the year ahead.

Ngā mihi nui,



Lesley Wilson
Chairperson



CEO's Report

The last 12 months have been exceptionally busy for New Zealand Apples and Pears Inc. (NZAPI), with the team doubling efforts across many areas, as highlighted in our statement of service. We have also transitioned to focus squarely on growth, embedding our industry strategy into day-to-day operations and transforming it from a mere document into a living, breathing plan.

\$1 Billion Mark

Reaching \$1 billion in orchard gate revenue for the first time at the end of 2024 was a major milestone and one we were keen to celebrate. Our sector now delivers \$2.5 billion in total economic impact to the New Zealand economy – up 27 percent from \$1.9 billion in 2023 – and employs more than 13,500 people.

This growth was recorded despite little change in planted area and increasing production costs, so we are confident that it has come from increased productivity, investment in high-value IP varieties and a diversification of international markets. We are all collectively pulling a variety of levers to ensure sector success.

Of course, this doesn't automatically translate to more money in growers' pockets, but it is still an important story to tell, particularly in Wellington as we encourage ongoing recognition and support for the industry.

Strategic Growth

I am confident that the next decade holds immense potential. In early 2025, the crop estimate was published with a promise of a bountiful harvest for the first time in years. It was exciting to see this return of form, however NZAPI was quick to clarify that this was bounce back, not necessarily a leap forward.

As such, our overarching focus remains firmly on orchard gate returns, ensuring sustainable grower returns is at the forefront of every decision we make. Your NZAPI team is committed to achieving the best financial and practical outcomes for growers at every turn.

Our ambitious goal for the sector – as identified in our Strategic Review – of reaching \$2 billion by 2035, aligns nicely with Government's target of doubling exports, and considering sector growth from \$375 million in 2014 to \$1 billion in 2024, this feels achievable, so long as the right settings are in place.

What Matters to You

It is important to acknowledge that the vast proportion of our work remains with our business as usual, supporting the critical services and solutions you rely upon.

Significant strides have been made in market access, with multiple high-priority requests worked on by the Ministry for Primary Industries (MPI) focused on apples and pears. Our close relationships with MPI are proving incredibly valuable.

The team has worked tirelessly to both streamline efficiencies for current markets and improve access in others. Highlights include our spray diary clearance pilot, the development of practical and effective protocols for Taiwan so we can maintain this crucial market, enhanced interactions and multi-layer engagement with Japan, and submissions for and delegations to India as a part of the Government's efforts to secure a Free Trade Agreement (FTA) with the world's most populous nation.

Our Smart and Sustainable research programme has completed year three of seven, with more than 50 growers taking part in projects and case studies and a considerable number of key outcomes designed to improve market access success.

On the Biosecurity front, we were actively engaged in the Governance of two Oriental Fruit Fly responses in Auckland and our full-time Biosecurity Manager continues to roll out preparedness initiatives, including ongoing work with the Biosecurity Advisory Group (BAG).

Our team has also been bolstered with the welcome addition of Shane Crawford, as Crop Protection Advisor and the valuable assistance of Simon Thursfield, who provided maternity cover for Danielle Adsett. I am confident that we have a thriving team with clear determination and direction.

Reaching \$1 billion in orchard gate revenue for the first time at the end of 2024 was a major milestone and one we were keen to celebrate.

Your Voice, Loud and Clear

The 2023 Strategic Review delivered a clear remit from growers for NZAPI to be bolder and braver in advocacy and communications, and I am confident that we have achieved this. Our full-time advocacy and communications position has significantly increased NZAPI's presence in the media, and we continue to reach varied audiences across local, national, business, rural and news media. The development of proactive campaigns – including for the Economic Impact Data, which showcased the tangible impact of our sector on regional economies – was valuable in embedding our social license to operate.

NZAPI has gained significant recognition throughout parliament, cabinet and ministries on behalf of growers, with particular highlights including presenting to the National Agricultural Caucus, regular meetings with Ministers in Wellington and the hosting of Ministers, MPs and leadership teams from MPI and the Environmental Protection Authority (EPA) at orchards across the country.

Business Management

Prevar has been a significant focus this year, with increased scrutiny from shareholders in early 2025. This will continue to be a priority as we ensure the industry's largest investment is well-managed.

We continue to be extremely mindful of our own budget, conducting line-by-line reviews throughout the year. We also utilised Prevar's uncalled capital to reduce the levy call in 2024 as well as establish a firm contingency fund for prudent management.

A Crisis Management Plan has been established across the organisation, including considerations for cyclone responses. A recent review of our own response to Cyclone Gabrielle has helped fine-tune the plan and better prepare our organisation and industry for the future.

Industry Collaboration

Our partnership with Horticulture New Zealand (HortNZ) remains invaluable and our enduring relationships with their team ensures apple and pear growers are considered in all their work. This collaboration benefits all of horticulture and we are very grateful for the expertise in Wellington.

Our collaborative advocacy resulted in favourable workforce policy changes and we continue to work closely with all horticultural partners to ensure the Recognised Seasonal Employer (RSE) scheme remains fit for purpose.

The next 12 months will also bring a focus on streamlining and sharing workloads, further reducing duplication, and maximising levy dollars.

Finally, I'd like to say a big thank you for your continued support of myself and the NZAPI team. It is always a highlight for the entire team to get out of the office to meet with members across the country – whether this is part of a technical day or a delegation to Wellington. The conversations, while sometimes challenging, are always encouraging and invigorating, and the core reason we do what we do.

As always, we are here to listen and learn from membership, stakeholders and industry because together, we can achieve great things and set the stage for even greater success in the future.



Karen Morrish
CEO

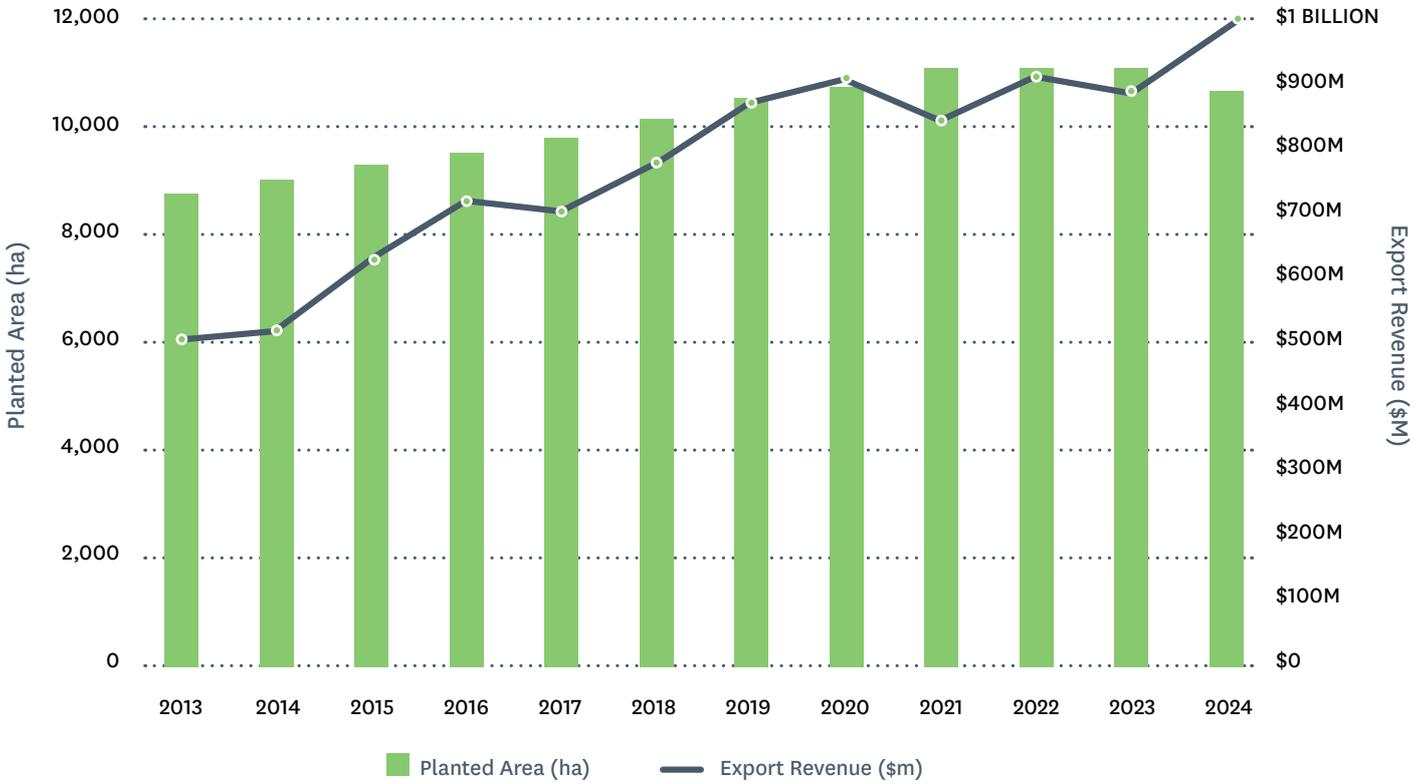


New Zealand's Growing Regions

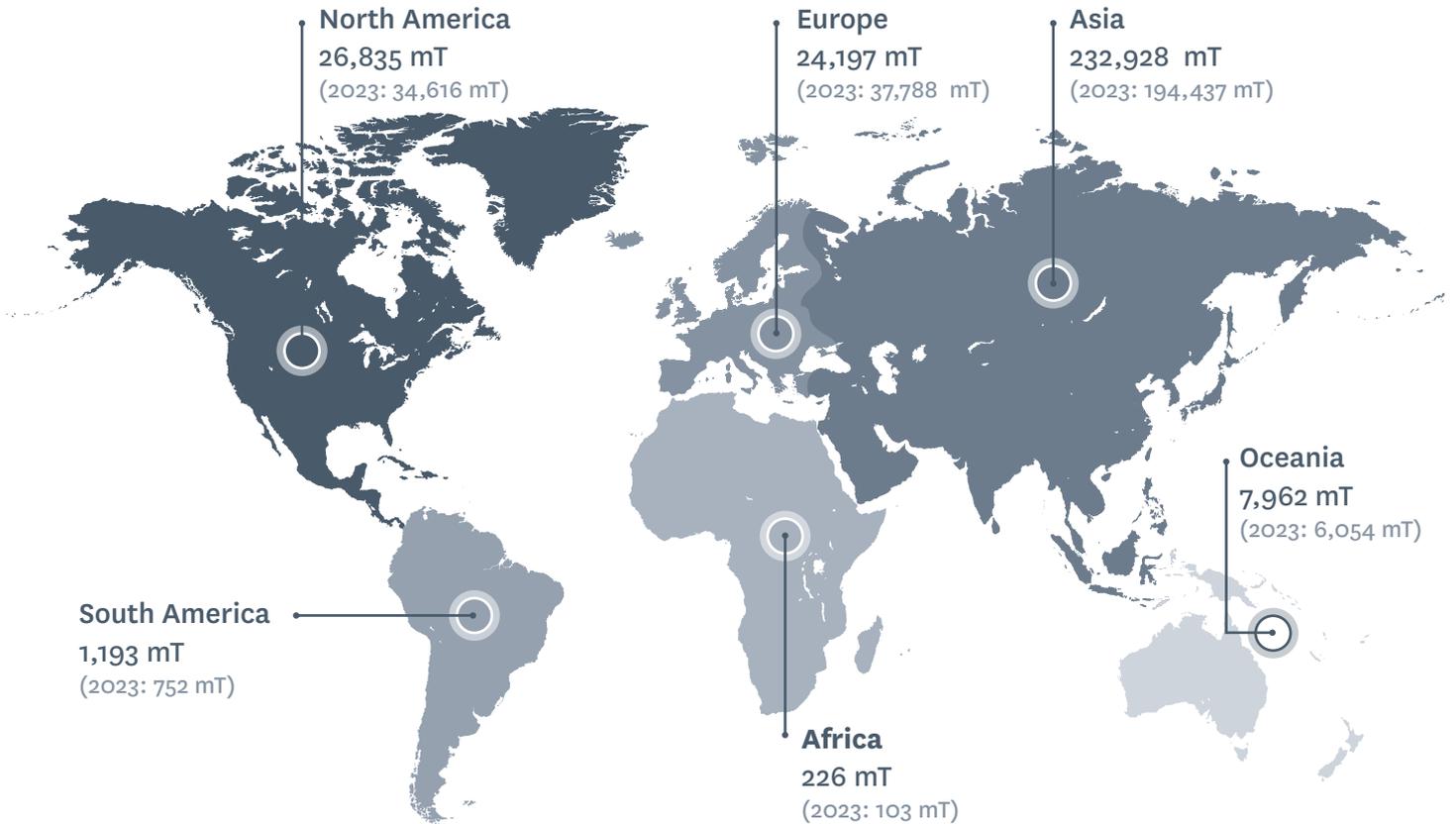


Industry Snapshot

Export Revenue and Planted Area



2024 Export Volume



Planted Area



10,930
planted hectares



11,225
planted hectares

Minimal total change in
planted area



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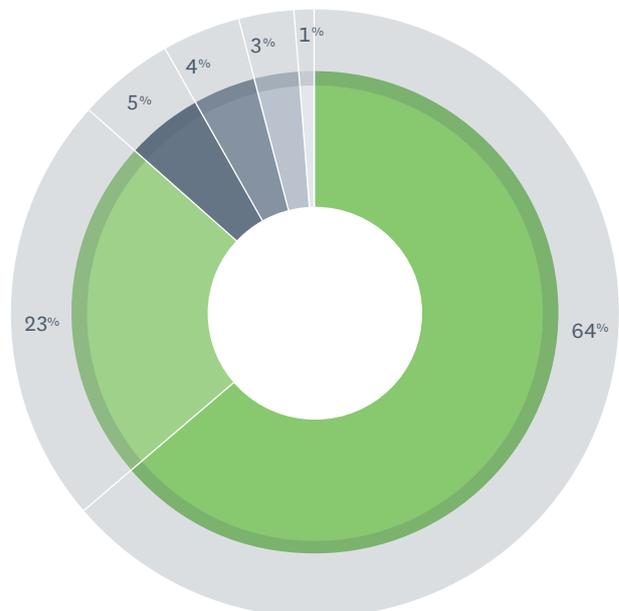


Compound annual growth rate 5%
(CAGR) over 10 years

Regional Distribution of Orchards

Hawke's Bay remains the largest growing region, accounting for 64% of the total planted area. Tairāwhiti has again experienced significant growth, with a 10% planted area increase (49ha), and is now the third largest growing region, behind Hawke's Bay and Tasman, which accounts for 23%.

- Hawke's Bay
- Tasman
- Tairāwhiti
- Central Otago
- Rest of New Zealand
- Unregistered/Local Market/
Processing



Our Export Destinations



- 1 People's Republic of China
- 2 Viet Nam
- 3 Taiwan
- 4 United Kingdom
- 5 India
- 6 Thailand
- 7 United States of America
- 8 United Arab Emirates
- 9 Hong Kong
- 10 Netherlands

Export Production



Royal Gala



Envy™



Cripps Pink



Pacific Queen



Dazzle™

Pipfruit Key Data

		2023	2024
	Gross export earnings (\$ Millions)	874M	993M
	Planted area registered for export production (hectares)	11,061	10,930
	RPIN's registered to grow apples and pears	975	975
	Grown varieties	92 Apples 22 Pears 5 Nashi	92 Apples 19 Pears 5 Nashi
	Export packhouses	45	41
	Cartons of export apples and pears	17.34M	19.1M
	Tonnes of export apples and pears	312,432	344,421
	New Zealand exporters (Exporting more than 1 container)	52	53

Our Members



Growers | 2024
296* | **↑ 8**

*Growth in grower numbers due to increased clarity of levy-paying entities



Post-harvest | 2024
17 | **↓ 1**



Associates | 2024
65 | **—**

Our Strategy

In 2024, NZAPI embedded the Industry Strategy into day-to-day operations with a focus on achieving the ambition of “growth”, while also fulfilling the roles and responsibilities of being the industry body. The strategic priorities as laid out in the strategy document remain as follows:

SELL



Market Access

Our markets are secure and profitable, and access is meaningful to maintain, improve and grow market access.

DEFEND



Biosecurity

We are resilient to biosecurity threats and incursions. Managing risk and preparing industry.

LEARN



Research & Development

Ensuring strategic priorities are supported and advanced. Our R&D programmes effectively balance the need to maintain and grow market access and prepare for future challenges.

KNOW



Enabling & Supporting

We have the services we need to prosper. To ensure that industry have knowledge and information – “technical translation”.

VOICE



Communications & Advocacy

We have the voice we need to prosper. To engage at a local and national level to represent the interests of members. We enjoy social licence to operate.

How Does Industry Achieve \$2bn?

Significant effort now needs to turn towards achieving a \$2bn industry.

It is unlikely that the industry will achieve this in its entirety from plantings alone; market access opportunities (existing, emerging, and new) are likely to be the bigger driver of growth. To this end, NZAPI has commissioned an in-depth Market Insights Report, due to be completed mid-2025. From this a clear direction of short, medium and long-term market access goals will assist in shaping all areas of NZAPI going forward.

NZAPI now operates with the following as fundamental, guiding principals to ensure all decisions, projects and use of resource or investment is aligned with the long-term goal of a prosperous, sustainable industry for generations to come:

1. Will this help deliver sustainable Orchard Gate Returns (OGR)?
2. Will this decrease grower burden or compliance?
3. Is someone else doing it or could do it?
4. Are we factoring in apples AND pears?

These four questions will be embedded in each pillar to help shape their direction. Underpinning the whole strategic direction are the services that NZAPI provide for the membership.

Partnerships

Delivering value to members through partnership with Horticulture New Zealand (HortNZ)

NZAPI's partnership with HortNZ is critical for the work we do in advocating for and supporting our members. This invaluable partnership is a great asset for NZAPI members and proves critical when addressing:

1. Environmental/Natural Resources issues - a particular focus here is on the sustainable management of water for environment, community and economy.
2. Workforce - HortNZ are a critical partner on the RSE scheme, policy reviews and amendments.
3. General policy insight, commentary and review. HortNZ's position in Wellington and proximity to critical ministers, ministries and advisors ensures timely communication of key issues.



	Lead	Partner	Observe
Advocacy and Communication	●	●	
Biosecurity	●		
Crop Protection	●		
Environment / Natural Resources		●	●
Extension / Tech Transfer	●		
Governance	●		
Workforce		●	●
Management Services	●		
Market Access	●		
Research and Development	●		

Lead	Partner	Observe
	●	
		●
		●
●		
		●
		●
●		●
		●
		●
		●

*Table represents apple and pear specific work streams





NZAPI and industry members hosted multiple delegations throughout the 24/25 year as Japanese growers and officials work towards better understanding of the systems approach

Market Access

Realising new export market opportunities and solving challenges to maintain existing markets is key to the success of our industry and underpins our organisation.

NZAPI improves and maintains access to overseas markets by:

- Developing export programmes to meet market requirements.
- Providing systems and support to growers so they can meet export programme standards.
- Assessing and growing new market opportunities.
- Developing solutions to trade barriers.
- Advocating for new market access.
- Monitoring onshore and offshore regulations.

Sanitary and phytosanitary requirements are often complicated. Helping growers, packhouses and exporters meet these standards and compliance requirements is critical.

NZAPI supports growers to meet both national and international phytosanitary, food safety and quality assurance standards by:

- Communicating crop protection strategies that ensure global food safety regulations are met.
- Maintaining masterdata and databases that outline residue limits and corresponding 'pre-harvest intervals'.
- Maintaining masterdata and databases that outline pests of concern for each export market.
- Supporting growers to meet their GlobalG.A.P. quality management systems.
- Monitoring and communicating international regulations and trends.

Pear Market Access

NZAPI and industry see significant opportunities to grow the pear industry by volume and value over the next decade. This is underpinned by the Prevar pear breeding programme, which is breeding new and unique pears for the export and domestic markets. NZAPI has worked closely with MPI to develop submissions for pear access to Taiwan, Viet Nam and the United States of America. At this stage, NZAPI sees no significant barriers to these negotiations.

All three requests, and the appropriate technical data packages, have been formally lodged to the corresponding markets. NZAPI will continue to work with MPI to assist with negotiations, and to build export programmes and technical requirements as and when access is gained.

Apple Market Access

NZAPI submitted new market access requests to MPI for Brazil, Egypt and Pakistan. In early 2024, New Zealand secured market access to Egypt for its apples. A technical data package has been formally lodged to Brazil, and we will support MPI with any negotiations between authorities. At this time, Pakistan is not taking any access requests.

United States Department of Agriculture (USDA)

The USDA pre-clearance programme was a success in 2024, with three inspectors in New Zealand to inspect apples from February through to July. Inspections occurred in Hawke's Bay and Nelson.

Total exports to USA, via the programme, in 2024 were 18,800MT, which represented 411 lots presented. Exports to USA are decreasing year-to-year, however the market remains critical to particular IP varieties and organic apples.

In late 2024, the USDA released a consultation on the deregulation of Light Brown Apple Moth (LBAM). NZAPI supported MPI's submission for the deregulation of this pest. LBAM continues to be a barrier for industry and creates additional operational costs, compliance costs, ineligible fruit, and failure costs. This issue remains a top priority for our industry and NZAPI will continue to work with MPI to remove LBAM from the actionable pest list.

NZ-UK Export Quota

The NZ-UK FTA was ratified in 2023 with digital quota certificates issued by NZAPI for apple shipments arriving post 1 August 2023 through to 2026, after which time quota certificates will no longer be required. In 2024, 13,157 tonnes from the total quota of 20,000 tonnes was issued over 236 certificates to 12 exporters.

Taiwan

Taiwan is a critical market for New Zealand apples and one we work hard to maintain. Going into the 2025 packing season, NZAPI has stressed the importance of phytosanitary performance and provided the necessary tools, resources and training to support good outcomes.

Updates to the Taiwan Official Assurance Programme (OAP) and market access best practice document have focused on strengthening risk assessment, as well as management decision making and apple washer performance. NZAPI have taken the opportunity to upskill industry, where appropriate, including the online sanitary and phytosanitary course, and annual packhouse skill-up and apple washer training days.

India

In December 2024, NZAPI joined the NZ Horticulture delegation to India, with the objective of raising awareness of New Zealand's horticulture sector in India, particularly with the imminent launch of the cooperation agreement, and to commence building relationships with key Indian officials who can support improved horticulture outcomes.

Ministry of Foreign Affairs and Trade (MFAT) launched consultation on New Zealand and India negotiations of a comprehensive Free Trade Agreement in March 2025. NZAPI submitted on this consultation supporting a removal of the tariff. Additionally, it was noted in the NZAPI submission the longevity of the NZ-India relationship when it comes to pipfruit growing and export, including the Himachal Pradesh World Bank Project which was supported by the New Zealand apple industry. The industry is highly motivated to develop and implement a programme of work that would support a successful FTA negotiation for apples and pears.

Japan

Japan is a high-value market for New Zealand apples, with active and robust relationships across a number of key areas – industry, grower associations, science and education. Access for New Zealand apples is limited by the requirement to use methyl bromide treatment.

NZ-Japan bilateral conversations are ongoing. Recent plant technical discussions have included apple access as one of the core topics for the negotiations. From these discussions we've seen encouraging progress on our systems approach request, as Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) works to finalise a pest list and evaluate the risk assessment.

NZAPI and industry members hosted multiple delegations throughout the 24/25 year as Japanese growers and officials work towards better understanding of the systems approach and learning from their counterparts.

Republic of Korea

NZAPI has coordinated a working group with industry, MPI, MFAT and New Zealand Trade and Enterprise (NZTE) to understand and address the barriers hindering market access for New Zealand apples into the Republic of Korea. Additionally, this working group is exploring opportunities for relationship building, research collaboration and advocacy activities within the Korean apple sector that would support market access goals.

MFAT and NZAPI have funded a market insight report, that is being facilitated by NZTE in Korea, to comprehensively analyse the Korean apple market, encompassing all stages from cultivation to consumer purchase. This includes examining the market dynamics, domestic challenges, and influential factors through interviews with industry professionals.

NZAPI will work with MPI and MFAT teams through the coming year to finalise a market access plan for this potential market. NZAPI had the opportunity, alongside Plant & Food Research (PFR) and MPI, to host a delegation from the Republic of Korea in December, laying the groundwork for strong relationships and highlighting potential areas of collaboration between the two countries.

The Future

During the year, NZAPI instigated a KPMG-led Market Insights Report that will help shape our market access strategy for the next 5-10 years. This report will build on the last project completed in 2012-2013, and will look at opportunities and challenges for markets that offer the best chance for growth and in turn, allow NZAPI to focus on further support and development of the industry.

In December 2024, NZAPI joined the NZ Horticulture delegation to India, with the objective of raising awareness of New Zealand's horticulture sector in India

Crop Protection

Core crop protection services and projects provided by NZAPI ensure the industry is well placed to meet our market access sanitary and phytosanitary requirements.

NZAPI works closely with PFR, consultants, MPI, and key service providers to provide necessary technical support for orchardists in all growing regions. Ensuring the New Zealand apple and pear industry's Integrated Fruit Production Programme continues to be a robust crop protection programme is a key focus of NZAPI. This work leaves the industry well-placed to meet the current ultra-low residue requirements of the most stringent customers and the phytosanitary requirements of our key markets.

NZAPI manage, operate, and maintain systems to assist industry with agrichemical management, including:

- A database of regulatory market residue limits and appropriate preharvest intervals is maintained and proposed changes are carefully monitored across our export markets.
- Best practice pest and disease management information and a suite of pest phenology and disease risk prediction tools are provided for growers to assist with agrichemical application decisions.
- NZAPI piloted a spray diary clearance system for the 2024/25 harvest. This is a new service that NZAPI have brought inhouse to assist industry with harvest and residue management. It also allows NZAPI to respond quickly and support growers and packhouses with this information at hand.

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- A residue testing programme that tests approximately 550 samples annually. The GlobalG.A.P. certified industry programme is robust and audited annually by a certification body.
- From this data, NZAPI can monitor trends, patterns, and risks to the programme, allowing us to continuously improve our systems and communicate necessary information to the membership.

Targeted use of agrichemicals is key to ensuring pest and diseases of apples and pears are managed appropriately. These tools are used responsibly, and strict phytosanitary requirements of our export markets are met. Accessing soft, selective agrichemicals and alternative control approaches (e.g. lure and kill) is a key priority. NZAPI continues to meet with the EPA to discuss our challenges as an industry and look forward to working together to achieve good outcomes for industry and our environment.

Shane Crawford joined NZAPI as Crop Protection Advisor in early 2025. This allows NZAPI more capacity to engage with growers and our stakeholders in this key area and to ensure our crop protection and market access systems and services are well supported and maintained.





Biosecurity

At NZAPI, Biosecurity is a strategic priority that is critical for industry success.

NZAPI remains at the forefront of biosecurity and advocate on behalf of the industry. Our focus is on defending our industry from unwanted pests and diseases, while minimising any impacts on our trade and market access.

GIA & Responses

As a signatory partner of the Government Industry Agreement (GIA), NZAPI gains a strong voice to shape decisions during biosecurity readiness and response activities. This was tested in early 2025 with the discovery of Oriental Fruit Fly in two separate responses in Auckland. NZAPI was active throughout these responses, and NZAPI's Biosecurity Manager participated in operational activities to provide further understanding of a response.

As part of response planning, the Biosecurity Manager completed incident and emergency management training including a clear understanding of Coordinated Incident Management Structure (CIMS). This continues to be a focus with further training planned for the wider industry later in the year.

NZAPI continues to actively participate in Operational Agreement councils and working groups. It is a platform that provides a united front to do more of the operational work required and outline cost sharing obligations for readiness and response activities. NZAPI are members of the Brown Marmorated Stink Bug (BMSB) council, Fruit Fly council, Lepidoptera working group, Plant Biosecurity council and the Plant Production Scheme (Plant Pass).

Readiness Projects

There are several readiness projects in which NZAPI are an active member. This includes the Harvest Shield 2.0 BMSB Simulation exercise, which involves industry, MPI and representatives from Australia. This exercise will help test the technical specifications and provide clarification of roles and responsibilities in the first few days of a response.

As an industry, it is important we are active in preventative biosecurity measures. One such measure has been the BMSB industry trapping pilot. Five sites in Hawke's Bay were used in the pilot during the 2024/25 high risk season. The aim was to create further awareness of BMSB in the industry and provide insight into whether there is BMSB establishing within the region. BMSB can cause destruction of a wide range of horticultural crops, and being able to fight this pest early would be beneficial for the industry.

One of the major developments in the past 12 months has been the review and refresh of the Landkind application. This digital mapping platform is designed for managing property data, biosecurity functions and orchard operations. It is available to all NZAPI members, and funded via grower levies. This type of application is hugely important during a response event to help determine orchard boundaries, and establish who and what is affected.

Leadership & Advocacy

NZAPI are involved in biosecurity at national level, and this is highlighted by our commitment to the Biosecurity Business Pledge. In 2024, the Biosecurity Manager was elected on the Pledge's executive committee. This ensures the horticulture sector is represented and the connection to business is kept at the forefront of biosecurity.

Our Biosecurity Advisory Group (BAG) continues to assist with providing feedback and guidance on matters which affect the apple and pear industry. These champions ensure NZAPI looks at biosecurity from several different perspectives and assesses what implications there could be for our sector.

In December 2024, NZAPI provided MPI with a submission on the Biosecurity Act Proposed Amendment, which outlined our perspective on primary legislation such as GIA, non-signatory beneficiaries and compensation. Following this submission, NZAPI is actively participating in a case study for consequential loss, based on Cyclone Gabrielle, and continues open dialogue with MPI.

Knowledge and Extension

Ensuring members can access and receive quality, digestible information when they need it is a critical role for NZAPI.

Industry Season Start-Up Events

At the start of the growing season, NZAPI holds Season Start-Up meetings with members across the country, including Hawke's Bay, Gisborne, Richmond, Motueka, Timaru, and Central Otago.

These events provide an opportunity to talk with growers and share important market access updates and programme requirements for the season ahead, and provides an opportunity to connect with members about their regional needs.

In total, six workshops were held connecting with approximately 200 industry people.

Skilling Up The Orchard

A focus for extension this year was blackspot management and spraying, which provided a platform to extend learnings from the Smart & Sustainable research programme. Eight events were held for managers and operators to discuss sprayer set ups, canopy types, air output, resistance management and sanitation. Events were held in Gisborne, Hawke's Bay, Nelson, and online, with approximately 300 attendees. The outcomes communicated in these events are supported by case studies undertaken with growers on 51 sites in Hawke's Bay and Nelson.

Field days and workshops continue to provide critical information and support

Orchard and Postharvest Research Workshops

The orchard and postharvest research reviews are a key priority for NZAPI extension. These events provide an opportunity to both provide the latest research findings to industry and also gather feedback directly from growers and operators on the future direction of potential research for the industry.

Market Access Forum

The Market Access Forum is a one-day workshop that provides industry with the latest updates and insights relating to market access for the industry. This year's presentations included updates and insights from New Zealand Government, exporters and industry associates and discussed the key focus areas for NZAPI's market access work.

Skilling Up The Packhouse

Packhouse Skill Up Days were run in each region through January and February with more than 230 participants. These sessions focus on delivering hands-on training on pest identification, rot identification, QC techniques and annual market access updates. These events were supported by new packhouse resources on rot identification and were run in conjunction with apple washer training sessions.

Apple washer training sessions provided practical knowledge for achieving good outcomes for pest management

GlobalG.A.P. Reporting

This year, NZAPI provided support to growers to meet new updates for GlobalG.A.P. reporting. NZAPI released a life cycle assessment (LCA) for apples grown in New Zealand, a carbon calculator tool and agrichemical reports individualised by orchard site. These new tools were extended through two online webinars, an updated GlobalG.A.P. manual and how-to guides on the NZAPI website.

Grower Tools and Support

NZAPI continues to provide tools and resources that support members in their everyday operations. With a strong focus on crop protection, market access, and pest and disease management, NZAPI continues to upgrade and update its suite of in-house resources and tools available for growers.

NZAPI Annual Conference

The NZAPI Conference was held in Hawke's Bay in 2024 with more than 300 people in attendance. The theme of Reset, Growth, Ambition reflected the challenges and opportunities facing our industry, and our ongoing commitment to building a more sustainable, productive, and inclusive food sector. The conference provided valuable networking and information sharing opportunities for growers, suppliers, government representatives and wider industry, and received excellent feedback from all who attended.



Significant effort now
needs to turn towards
achieving a \$2bn industry.

Workforce

NZAPI continues to focus on advocacy, partnerships, and workforce development initiatives that support our members and build sustainable labour pathways.

Multiple positive developments have been secured across the labour space during the past 12 months, including key changes to the RSE scheme and greater government engagement with industry concerns.

In 2024, NZAPI welcomed progress in Stage One of the RSE Policy Review, which included several changes that directly responded to industry submissions. The Government has since signalled willingness to continue working collaboratively on future stages of the review, and we will maintain pressure to ensure policy settings reflect both employer needs and worker wellbeing.

One of the ways that we continue to stay connected to our government partners and agencies is through continued active participation in the RSE Operations Group. This group remains a key platform for sharing updates, resolving issues, and engaging across industry and government. NZAPI has also maintained strong support for the re-established National Labour Governance Group (NLGG) and Regional Labour Governance Groups (RLGGs), which ensure our members are well represented in national discussions.

NZAPI took part in the 2024 RSE Conference in Tauranga. The conference was a timely opportunity for employers, agencies and government to align around common issues and share success stories from across the regions.

NZAPI were represented at the Pacific Labour Mobility Annual Meeting (PLMAM) held in Brisbane in November 2024. CEO Karen Morrish and RSE Lead Nat Bond attended on behalf of growers. The event brought together more than 400 participants, including government representatives, employers, and workers. Employer commitments for the next 12 months were presented, and New Zealand employers emphasised their readiness to work closely with Pacific nations to align recruitment with mutual development goals.

NZAPI continues to advocate that international G.A.P. certifications such as GRASP be recognised at a governmental level, reducing the need for duplicate audit processes.

A strong New Zealand workforce remains incredibly important to our membership, and NZAPI remains a strong supporter of leadership and capability development. This year, we supported the national Emerging Leaders Training programme and proudly engaged in the Young Grower of the Year competitions. Regional winners from the pipfruit sector were hosted at the NZAPI Conference and Hawke's Bay local Grace Fulford of T&G was named Young Grower of the Year at the national final.



General Insights

- New Zealand has seen a strong return of backpacker numbers across regions.
- New RSE visa flexibility and updated employment averaging rules will support improved labour planning.
- Policy changes have begun to address cost and compliance concerns, making the RSE scheme more sustainable for employers.
- Strong engagement between employers and Pacific governments and communities continues to foster transparent and sustainable partnerships.

RSE Insights

Cap Increase and Utilisation:

- The RSE cap was increased to 20,750 for the 2024/25 season – a 1,250-worker rise from the previous cap of 19,500.
- The cap was informed by a nationwide survey of RSE employers and reflects anticipated labour demand.

Challenges Impacting RSE Utilisation:

- New Zealand's extreme weather events and recovery efforts continue to disrupt workforce stability.
- Ongoing accommodation limitations and cost pressures remain a factor, though policy changes have helped alleviate some issues.

Policy Review and Governmental Changes:

- Key wins from Stage One of the RSE Policy Review included:
 - Introduction of a multi-entry visa for RSE workers.
 - Flexibility to average 30-hour work requirements over four weeks.
 - Extended grace period (21 days) for movement between employers/sites.
 - Expanded access to non-role-related training and upskilling.
 - HIV testing requirement removed.
 - Controlled increase to accommodation cost deductions.
 - Minimum wage +10% now only applies to returning (third season+) workers.
- Changes took effect from 2 September 2024 and demonstrate the Government's responsiveness to NZAPI and partner advocacy and engagement. NZAPI continues to support the second phase of the RSE review.



The Government has since signalled willingness to continue working collaboratively on future stages of the review



Research and Development

2024/25 was the third year of seven for NZAPI's major research and development programme, Smart and Sustainable.

Smart and Sustainable arose to support industry to meet market access challenges. The industry is world-leading, producing fruit that meets both low Maximum Residue Levels (MRL) and nil pest requirements across 80 global export markets.

However, it is also challenged to continue meeting these requirements with continued withdrawal of permitted chemicals and the development of resistance for existing products. With no new products being registered we need to find alternatives and innovative ways to achieve control that meets both MRL and phytosanitary requirements of key markets.

The programme is focused on finding solutions to replace at-risk agrichemicals and improve control outcomes for pests and diseases of phytosanitary concern in key markets.

In 2024/25 a programme of research included projects to identify alternative solutions for:

- Black spot control for products at risk of deregistration and resistance.
- Fireblight control where antibiotic use is under review.
- Rot control for products at risk of deregistration.
- Apple leaf curling midge for improved control and risk of resistance.
- Woolly apple aphid for improved control with limited options.
- Mealybug for improved control.

Postharvest solutions research to improve control to meet phytosanitary requirements include:

- E-water sanitation treatment.
- Detection of small hidden insects.
- Detection of latent rots.

A programme of work is also being undertaken to improve pest and disease outcomes through:

- Spray optimisation to match sprayer set ups and rate standards to modern tree canopies.
- Updated pest and disease risk forecasting tools.
- Access to data to inform decision making.

Extension is a key component of Smart and Sustainable, with the goal of working closely with industry to implement and adopt best practice. In 2024/25, a key element of this was undertaking case studies with growers in Hawke's Bay, Nelson and Central Otago to improve pest and disease control using sanitation and updated spraying practices.

Key providers to deliver this programme include PFR, Lincoln Agritech, Applied Research Technologies, Fruition Horticulture, AgFirst, Cawthron Institute, Agrilink, Labat Consulting and Montage BI.

The Smart and Sustainable programme is funded in partnership with MPI through the Sustainable Food and Fibre Futures, with an investment of \$5.9 million industry levy funds over seven years and \$7.4 million co-contribution from MPI. Industry co-contribute a further \$1.5 million of in-kind support to the programme.

The industry levy-funded Research and Development Programmes:

	Investment \$	Objectives	Measures of success
Smart and Sustainable			
<p>Regulations for chemical use in countries we export apples and pears to are constantly changing, with MRL requirements being lowered and existing chemistry being deregistered and no longer available for use.</p> <p>It is becoming more difficult for industry to maintain their unique global position of meeting both low MRL markets in Europe and nil detectable pests and disease in Asia.</p> <p>Alternative solutions are needed for crop protection to continue meeting market requirements.</p>	<p>2022 - 2029 (7 years)</p> <p>Total \$14.8M</p> <p>\$7.4M NZAPI (\$5.9 cash and \$1.5 inkind) + \$7.4M MPI(cash)</p>	<p>We have access to effective options for crop protection to manage pests and diseases, while maintaining either low or no residues.</p> <p>Options to more easily meet market access requirements.</p> <p>Solutions that provide efficient and effective crop protection.</p> <p>Industry has market access programmes, systems and tools that enable members to meet export market standards and manage market access threats.</p>	<ul style="list-style-type: none"> Continued access to existing markets. New options adopted by growers and packhouses.
Bronze beetle - Sustainable control for pipfruit crops			
<p>Bronze beetle currently costs organic producers \$13,500/ha resulting in >\$6M pa in losses to the organic industry, the single highest cost to an organic producer.</p>	<p>2024 - 2030 (5 years)</p> <p>Total \$1.5M</p> <p>\$0.6M NZAPI (\$5.9 cash and \$0.1 inkind) + \$0.9M MPI(cash)</p>	<p>Develop a more sustainable and cost-effective control option for organic control of bronze beetle.</p>	<ul style="list-style-type: none"> An alternative control option to cultivation for organic control of bronze beetle available. Reduced costs for bronze beetle control.
Fruit fly cold treatment			
<p>There is currently no accepted treatment to allow movement and export of fruit from an exclusion zone in the event of a fruit fly biosecurity incursion.</p>	<p>2020 - 2025 (5 years)</p> <p>Total \$0.5M</p> <p>\$0.5M NZAPI</p>	<p>To collect data that will gain international acceptance of a cold treatment protocol that can be used to treat fruit fly in the event of fruit fly being detected in apple-growing regions of New Zealand.</p>	<ul style="list-style-type: none"> An accepted cold treatment protocol for fruit fly.

In addition to our NZAPI-led programmes, we support a number of other external research and development projects including:

Project	Funding Support
SFF Futures Orchard Planting Systems: to double productivity, improve environmental outcomes, and transform labour practices (PFR)	2021 - 2026 NZAPI Contribution \$500k
SFF Futures Project "What's Coming Out of Tile Drains? (AgFirst Hawke's Bay)	2021 - 2024 NZAPI Contribution \$50k
SFF Futures Project Enhancing biocontrol preparedness for brown marmorated stink bug (PFR)	2023 - 2025 NZAPI Contribution \$209k

Communication and Advocacy

NZAPI's communications and advocacy work focuses on ensuring the industry has the voice it needs to prosper. This requires engagement at local and national levels across Government, media, community and industry. The establishment of a full-time Communications Manager has allowed for a significant increase in work carried out in this area.

Advocacy and Government

This year was pivotal in strengthening NZAPI's advocacy efforts and deepening our influence across key policy areas. From foundational work of establishing an advocacy framework and building databases, to acting on behalf of growers regarding specific policy and issues, NZAPI actively championed industry.

Strategic Planning

A comprehensive advocacy plan has been developed, which is now subject to regular reviews to ensure it remains responsive and relevant. The plan has been adapted throughout the year to reflect early wins, shifts in government priorities, and emerging areas of focus, including the Gene Technology Bill and financial policy developments.

Policy Influence

In 2024, our collaborative engagement alongside HortNZ and other industry groups saw changes to the RSE scheme fast-tracked for the upcoming season. NZAPI also supported Hawke's Bay growers in navigating challenges with TANK Plan Change 9 water consents, and championed our industry perspective across 24 separate submissions to Government.

Relationship Building

We have continued to build and nurture strong relationships with ministers and members of parliament. Our approach—collegiate, respectful, and strategic—has helped embed NZAPI as a trusted and credible voice in Wellington. These relationships are built for the long term, with trust and mutual respect now central to our engagement.

National Ag Caucus Presentation

CEO Karen Morrish presented a "Beginner's Guide to the Apple and Pear Industry" to the National Agricultural Caucus in March. The session was met with enthusiasm, with MPs actively engaging, asking insightful questions, and leaving with a deeper understanding of the industry—along with new season apples and pears.

Advocacy Collateral

To support advocacy work, we developed a suite of collateral including:

- Factsheets tailored to specific topics including economic development, the Environmental Protection Agency (EPA) and general industry awareness.
- A comprehensive manifesto to articulate our vision and priorities, which has now been distributed twice to key government and industry stakeholders.



A comprehensive advocacy plan has been developed, which is now subject to regular reviews to ensure it remains responsive and relevant.



Media and Engagement

A structured communications calendar was introduced to ensure consistent, timely, and strategic messaging across all platforms and audiences.

Media Relations

Relationships with key media outlets were developed and nurtured as NZAPI significantly expanded media presence throughout the year. Notable highlights include regular interviews across Newstalk ZB's Mike Hosking Breakfast and The Country with Jamie Mackay, as well as Radio New Zealand, NBR, the New Zealand Herald, and TVNZ. In March 2025, Seven Sharp aired a four-minute segment celebrating the exceptional quality of that season's apple crop. The piece, which was not paid-for activity, featured PFR and industry, and had an estimated advertising value of \$40,000.

Economic Impact and Crop Estimate Reports

The Economic Impact Report was developed by MartinJenkins and distributed in October 2024 (calendar year 2023) and again in February 2025 (calendar year 2024). The proactive distribution of this data is critical in elevating the sector's prominence and importance, both to the national economy and key regions throughout New Zealand. These reports were well received by both national and international media and government stakeholders, with the milestone \$1 billion mark acknowledged by Minister Nicola Willis during parliamentary question time.

Digital Development

This year saw the successful launch of a new public-facing website, enhancing NZAPI's digital presence and increasing accessibility for stakeholders and public.

Work is now underway on an extensive upgrade of the NZAPI members' portal, with improvements focused on usability, search functionality, mobile accessibility, ease of access to resources, and increased member engagement.

Smart and Sustainable Initiative

A dedicated proactive communications plan was developed to support the Smart and Sustainable programme, with the aim of further aligning innovation and sustainability goals and embedding the industry's social license to operate as a result.

The plan included the establishment of a quarterly newsletter – R&D Field Notes – which was first distributed in March 2025 and received significant positive feedback.

Relationships with key media outlets were developed and nurtured as NZAPI significantly expanded media presence throughout the year.

Prevar delivered commercial revenue for the FY25 financial year of \$7.2m against a budget of \$6.6m.

This was based on strong market pricing for key varieties into Asia and additional tree plantings in New Zealand and the United States.

Our licensee partners planted 1.1 million trees of Prevar varieties in the 2024 calendar year and we are on track to double global tree plantings within the next five years.

The 2024 season for Piqa® was successful from a market return perspective with excellent orchard gate returns for many growers. With market access still restricted, the focus for sales was on China and New Zealand primarily. The opportunity to open up access to Viet Nam and Taiwan remains a high priority for Prevar and NZAPI and this will, we believe, encourage further planting of Piqa® in New Zealand over the next three years.

The Prevar team have taken a more objective approach to maximising Piqa® production, pack-out and returns with the Grower Handbook published in winter 2024. This was very well received and has provided some instant gains for growers in following best practice to increase yield and managing fruit quality.

In the area of Research and Development we continued with the seven targets in the conventional breeding programme across the apple and pear portfolios, with a combination of consumer driven traits and grower-centric attributes. These targets include an increasing presence of double gene scab resistance in apple selections and fire blight resistance in pears.

The annual Prevar open days were conducted in Hawke’s Bay and Nelson in June and July with a focus on disease resistant varieties, a yellow skin selection, two red flesh selections and the Piqa® series. Expressions of interest were open for growers on a number of selections and test trees for evaluation were distributed to multiple commercial blocks in the main growing areas.

In late 2024, we conducted a roadshow alongside PFR and NZAPI to help inform growers about the Gene Technology Bill that the New Zealand Government is pursuing. The presentations included an insight into the technology, a global landscape assessment of where other countries are at with adoption of gene tech, and some

examples of how Prevar might apply this technology to new apple and pear selections that solve challenges for growers in the areas of environmental and economic sustainability. We had a generally positive level of support for the approach we were taking and it highlighted the need to keep communicating to bring growers and the wider industry along with us and PFR as we move towards commercial application of gene tech in New Zealand, pending legislation and the appointment of a regulator.

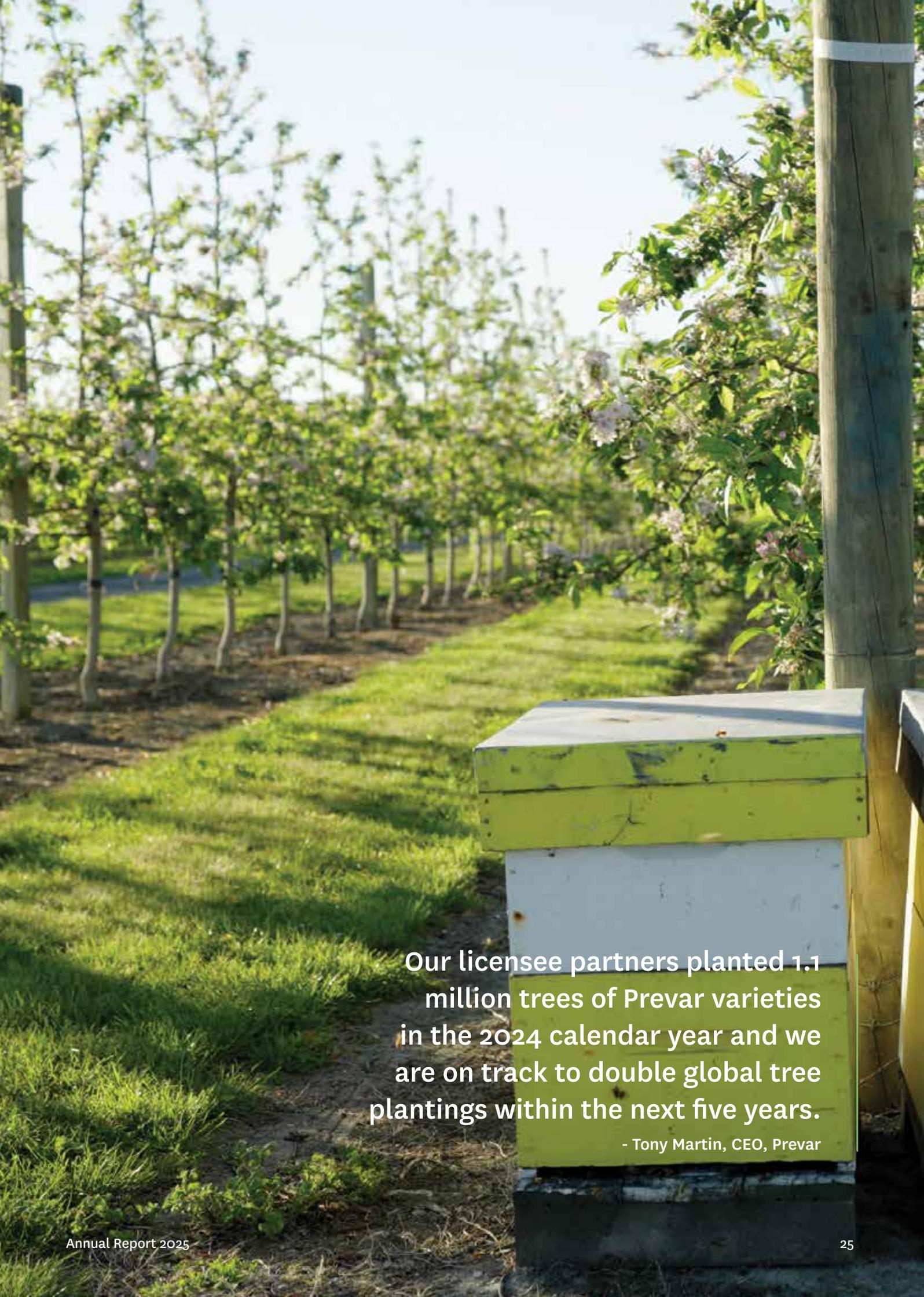
The increased commercial revenue means Prevar reported an operating profit for FY25. Prevar remains financially self-sufficient with a strong cash position supported by increasing commercial revenues and the Government sponsored Research & Development Tax Incentive.

During FY25, an amendment to the shareholder agreement was signed, this removed NZAPI’s and PFR’s liability for future capital contributions to Prevar and changed all shareholders’ ownership as follows:

Shareholder	Class of Shares held	Old shareholding	New shareholding
NZAPI	Class A	55%	53%
PFR	Class A	29%	27.13%
APAL	Class B	16%	19.87%

With a strong planting programme in place for FY26 and existing plantings of key varieties reaching higher levels of productivity based on tree maturity, Prevar remains on track to be profitable in the year ending 31st March 2026.

Tony Martin
CEO, Prevar



Our licensee partners planted 1.1 million trees of Prevar varieties in the 2024 calendar year and we are on track to double global tree plantings within the next five years.

- Tony Martin, CEO, Prevar

Board of Directors

The New Zealand Apples and Pears (NZAPI) Board comprises eight directors: seven grower directors and one board-appointed director.

Director terms are three years, with a maximum of four consecutive terms. Grower directors must either be a grower, or an employee of a grower, or an employee of an associated entity of a grower. The maximum number of board-appointed directors is two.



Lesley Wilson Chairperson

Lesley is an independent grower from a strong, future-focused, family business. Lesley is also a shareholder in Mt Erin Packhouse and the marketing arm, Mt Erin Group.

Grower Director

Appointed August 2019

Hawke's Bay

Meeting attendance: 7 of 7



Adrienne Sharp

As Head of Corporate Affairs at T&G Global, Adrienne oversees the protection and enhancement of T&G's global reputation. She leads government relations, communications, sustainability, and industry and community engagement. Adrienne joined T&G in January 2020 with a career that spans more than 20 years in FMCG, the primary sector, professional services and logistics, across New Zealand, Australia and the UK.

Grower Director

Appointed December 2024

Auckland

Meeting attendance: 2 of 2



Andrew Common

Andrew is both a grower and exporter, with over 20 years of experience in the horticultural sector. Throughout his career Andrew has worked in senior management roles in both in New Zealand and overseas. Andrew holds a Bachelor of Applied Science from Massey University.

Grower Director

Appointed August 2024

Hawke's Bay

Meeting Attendance: 4 of 4



Cameron Taylor

Cameron is a fourth-generation fruit grower, working in the family business as part of the senior management team. As the Export Manager at Taylor Corporation, Cameron is passionate about innovation and the marketing of New Zealand apples.

Grower Director

Appointed August 2016

Hawke's Bay

Meeting attendance: 6 of 7



Cameron Bagrie

Cameron Bagrie has been an economist for 20 years. For more than 11 years he was Chief Economist at ANZ. He has also worked as an economist at National Bank, Treasury and Statistics New Zealand. Rooted in his mainland heritage, Cameron's approach to economics is both pragmatic and unbiased. Cameron is all over every aspect of the economy.

Board-appointed Director

Appointed January 2023

Auckland

Meeting attendance: 5 of 7



Jackie van der Voort

Jackie van der Voort has spent much of her life working within the apples and pears industry and is currently CEO of CAJ Apples, owned by SI Orchards Ltd. She has more than 30 years' experience, owning and managing businesses in multiple industries and sits on the Board of Directors for Prevar.

Grower Director

Appointed May 2018

Central Otago

Meeting attendance: 7 of 7



John Allen

A Grower Director from Hawke’s Bay, John has spent the last seven years working in the Mr Apple Sales and Marketing team, primarily in export sales.

He spent 15 years in corporate and agribusiness banking and governance roles in New Zealand and Australia, working with businesses exporting horticulture, dairy, meat, plant and machinery goods.

Grower Director

Appointed August 2021

Hawke’s Bay

Meeting attendance: 7 of 7



Matt Stafford

Matt is the Innovation and Sustainability Manager for Bostock New Zealand having joined the company in 2019. Matt graduated from Lincoln University with a BSc (Soil Science) and Postgraduate Diploma in Viticulture and Oenology. Prior to joining Bostock New Zealand, Matt had a distinguished winegrowing career working with vineyards within 7 regions of New Zealand and in France, USA and Australia.

Grower Director

Appointed June 2023

Hawke’s Bay

Meeting attendance: 7 of 7

Outgoing Directors

Evan Heywood

Grower Director

Term ended July 2024

Tasman

Meeting attendance: 3 of 3

Craig Betty

Grower Director

Resigned November 2024

Hawke’s Bay

Meeting attendance: 5 of 5

Associate Directors

NZAPI can appoint up to two Associate Directors. These are appointed by the Board of Directors and they serve a term of two calendar years.



Shane Flynn

Employee of Craigmore, Hawke’s Bay



Nicky Robertson

Employee of Taylor Corporation, Hawke’s Bay

NZAPI Team 2024/2025

The team as at 31st March 2025 consists of:



Karen Morrish
Chief Executive Officer



Market Access Team
Danielle Adsett - *Manager*
Dr. Pip McVeagh - *Data & Systems Specialist*
Meredith Ryan - *Member Systems*
Xanthe Ellett - *Support*
Shane Crawford - *Crop Protection Advisor*



Biosecurity
Rachel Masters - *Manager*



R&D Team
Dr. Rachel Kilmister - *Manager*
Jayne Newland - *Project Manager*
Anna Lambourne - *Extension*



Communications
Jessica Wauchop - *Manager*



Business Management Services
Jessica Cranswick - *Chief Financial Officer*
Jan Broadley - *Project Manager*
Jill Klempel - *Administration*



Labour & Workforce
Nat Bond - *RSE Lead*



Advisory Groups

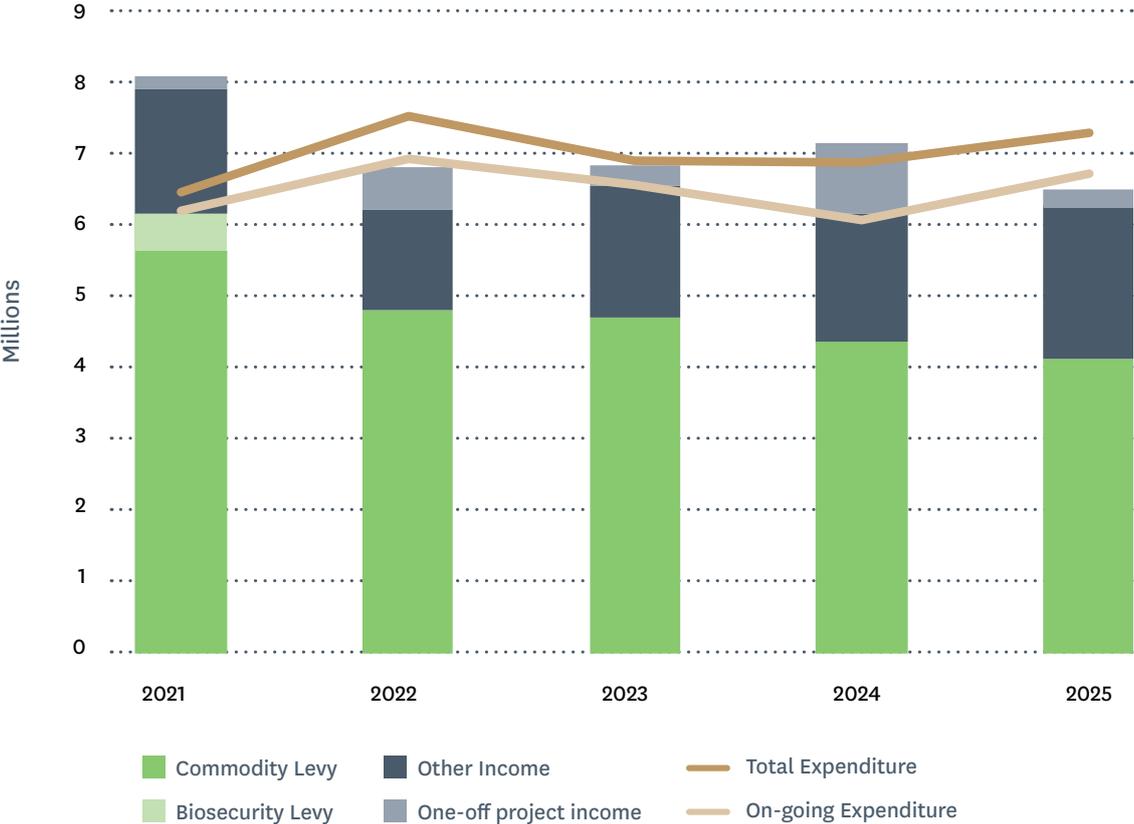


Financial Report

The 2025 financial statements have been audited and an unqualified opinion has been expressed by BDO Hawke’s Bay. The financial statements show an operational deficit for the year, which was budgeted. The Prevar shareholders variation signed during the year removed the liability for future capital contributions to Prevar. The funds released have been utilised to reduce the commodity levy rate for the 2025 financial year from 1.15 cents per kilogram to 1 cent per kilogram, and to set up the Additional Operational Reserve fund. Industry’s share of the response costs for the two separate fruit fly incursions during the year are \$285k, these have been funded by the GIA Biosecurity Funds.

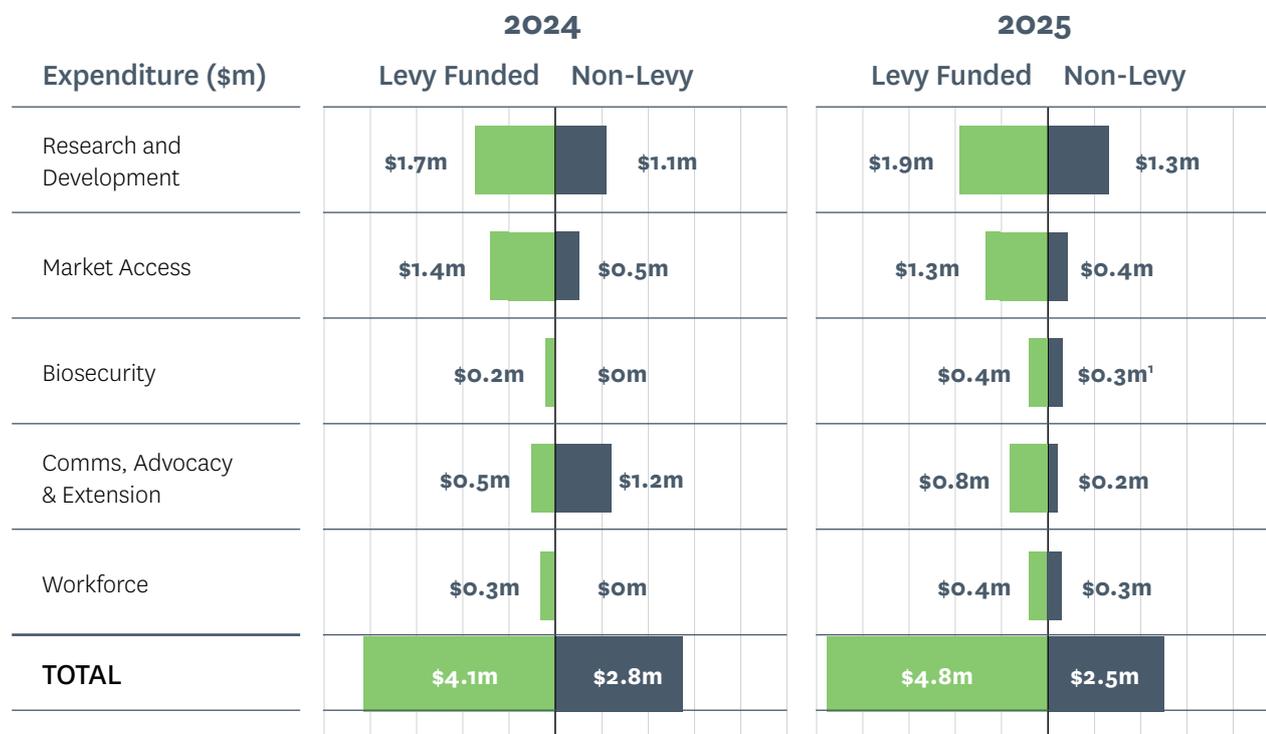
The below graph shows NZAPI’s ongoing and one-off income and expenditure over the last five financial years.

Income and Expenditure over the past five financial years



Commodity Levy Expenditure

Commodity levy income and non-levy income is used to deliver programmes across our strategic priority areas. Non-levy income includes government funding for research programmes and specific projects, grants, and fees for specific services delivered. It also includes the use of the GIA Biosecurity Funds for the payment on industry's share of a biosecurity response:



1. Non-levy funds for biosecurity is from GIA Biosecurity Fund that has been funded by biosecurity commodity levy funds, as well as interest earned.

Financial Statements

For the year ended 31 March 2025

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW ZEALAND APPLES & PEARS INCORPORATED**

Report on the Audit of the General Purpose Financial Report

Opinion

We have audited the general purpose financial report of New Zealand Apples & Pears Incorporated ("the Society"), comprise the financial statements and the service performance information. The complete set of financial statements comprise the statement of financial position as at 31 March 2025, the statement of comprehensive revenue and expense, statement of changes in net assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of the Society as at 31 March 2025, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2025, in accordance with the Society's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

Board's Responsibilities for the General Purpose Financial Report

Those charged with governance are responsible on behalf of the Society for:

PARTNERS: Glenn Fan-Robertson Heather Hallam Lisa Townshend Michael Nes
CONSULTANT: David Pearson

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(a) the preparation and fair presentation of the financial statements and service performance information in accordance with PBE Standards RDR issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report those charged with governance are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Hawke's Bay
Napier
25 June 2025



New Zealand Apples and Pears Incorporated

Statement of Service Performance

For the year ended 31 March 2025

Our Purpose:

To promote and champion the New Zealand pipfruit industry for the benefit of all participants and for the overall benefit of New Zealand.

Our Objectives and how we have performed against these:

1. To represent the interests of members both domestically and overseas in matters of political and commercial significance to members and the industry as a whole.

Performance against Objectives	2025	2024
Committees and Working Group involvement/participation	35	37
Submissions/ Advisories submitted	24	8
Government delegations hosted	33	21
Delegations participated in	5	3
Signatory to Biosecurity Operational Agreements	4	3

2. To consider and make recommendations to members and interested parties with respect to the future of the New Zealand pipfruit industry.

Performance against Objectives	2025	2024
Industry Advisory Group meetings to discuss future needs and direction	37	18

3. To provide services to members which will provide benefits to the industry as a whole.

Performance against Objectives	2025	2024
Number of industry-related beneficial services provided	26	24
Services Provided	<ul style="list-style-type: none"> Member website Weather tools Pest and disease tools Random residue Registration USDA programme ICPR database Market Declaration system Master data 	<ul style="list-style-type: none"> Member website Weather tools Pest and disease tools Random residue Registration USDA programme ICPR database Market Declaration system Master data



Statement of Service Performance (cont.)

For the year ended 31 March 2025

Performance against Objectives	2025	2024
Services Provided (cont.)	Export data	Export Data
	Crop Estimate	Crop Estimate
	Maturity Monitoring	Maturity Monitoring
	Registers / OAP's	Registers / OAP's
	PHI /MRL database	PHI /MRL database
	Information resources - orchard	Information resources - orchard
	Information resources - packhouse	Information resources - packhouse
	Best practice guidelines	Best practice guidelines
	RSE logistic support	RSE logistic support
	Food safety testing kits	Food safety testing kits
	Food safety registration	Food safety registration
	Heavy metal testing	Heavy metal testing
	Audit tools	Audit tools
	Industry market eligibility files	Industry market eligibility files
	UK Quota Tool	UK Quota Tool
Spray Diary Clearance Tool		
LandKind Mapping Tool		

4. To promote, whether directly or indirectly and whether by means of ownership, investment or otherwise, the development and commercial exploitation of new plant varieties for the benefit of Grower Members.

Performance against Objectives	2025	2024
Prevar shareholding	53%	55%
Annual investment (\$)	-	-
Cumulative investment (\$)	14.3M	14.3M

5. To identify, undertake, fund, and promote research and development relating to the New Zealand pipfruit industry.

Performance against Objectives	2025	2024
Research programmes/ projects contracted	7	8
Total investment (\$)	2,465,990	2,104,200
Levy investment into Research and Development (\$)	1,159,972	1,084,631
Co-funding investment (\$)	1,306,018	1,019,569



Statement of Service Performance (cont.)

For the year ended 31 March 2025

Performance against Objectives	2025	2024
Research reports commissioned	23	17

6. To develop and promote access to domestic and overseas markets for New Zealand pipfruit.

Performance against Objectives	2025	2024
Markets available for export	81	80

7. To initiate, organise, and publicise seminars, workshops, conferences and meetings for the education and development of participants in the pipfruit industry.

Performance against Objectives	2025	2024
Events held	28	28

8. To speak on behalf of the New Zealand pipfruit industry

Performance against Objectives	2025	2024
Number of Members - Grower	296	288
Number of Members - Post harvest	17	18
Number of Members - Associates	65	65
Website hits	433,545	255,045



New Zealand Apples and Pears Incorporated

Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2025

<i>in NZD</i>	<i>Note</i>	<i>2025</i>	<i>2024</i>
Revenue	7	6,281,441	6,974,405
Interest Income		193,337	165,547
Operating Expenses	8	7,282,229	6,824,151
Operating (deficit)/surplus for the year		(807,451)	315,801
Loss on disposal of ownership interest in equity accounted investee	13	(467,242)	-
Share of equity accounted investee's surplus/(deficit) for the year	13	102,309	(52,058)
Total deficit from investment in equity accounted investee		(364,933)	(52,058)
Total (deficit)/surplus before income tax		(1,172,384)	263,743
Income tax expense	9	-	-
Total (deficit)/surplus after income tax		(1,172,384)	263,743
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		(1,172,384)	263,743

Statement of Changes in Equity

For the year ended 31 March 2025

<i>in NZD</i>	<i>Note</i>	Accumulated Comprehensive Revenue & Expense	Total Equity
2024			
Balance at 1 April 2023		5,990,118	5,990,118
Total comprehensive revenue and expense for the year		263,743	263,743
Balance at 31 March 2024		6,253,861	6,253,861
2025			
Balance at 1 April 2024		6,253,861	6,253,861
Total comprehensive revenue and expense for the year		(1,172,384)	(1,172,384)
Balance at 31 March 2025		5,081,477	5,081,477

The accompanying notes are an integral part of these financial statements.



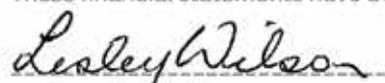
New Zealand Apples and Pears Incorporated

Statement of Financial Position

As at 31 March 2025

in NZD	Note	2025	2024
Current Assets			
Cash and cash equivalents	10	1,903,975	3,174,633
Recoverables from non-exchange transactions	11	824,737	553,151
Receivables from exchange transactions	11	196,610	122,955
Prepayments and other assets		110,819	81,453
Income tax refund due	9	59,523	67,414
Term deposits	12	2,219,150	1,764,240
Total Current Assets		5,314,814	5,763,846
Non-Current Assets			
Equity accounted investee	13	1,778,134	3,506,387
Plant and equipment		53,229	65,291
Intangible assets	14	6,057	118,331
Total Non-Current Assets		1,837,420	3,690,009
Total Assets		7,152,234	9,453,855
Current Liabilities			
Payables from exchange transactions	15	1,381,621	975,560
Deferred revenue	16	331,222	500,845
Employee entitlements		139,864	141,251
Funds held in trust	10	218,050	219,018
Capital payable	13	-	900,000
Total Current Liabilities		2,070,757	2,736,674
Non-Current Liabilities			
Capital payable	13	-	463,320
Total Liabilities		2,070,757	3,199,994
Equity			
Accumulated comprehensive revenue and expense		5,081,477	6,253,861
Total Equity	20	5,081,477	6,253,861
Total Equity and Liabilities		7,152,234	9,453,855

These financial statements have been authorised for issue by the Directors on 25 June 2025.


Lesley Wilson, Chairperson


Cameron Bagrie, Board-Appointed Director

The accompanying notes are an integral part of these financial statements.

New Zealand Apples and Pears Incorporated

Cash Flow Statement



For the year ended 31 March 2025

<i>in NZD</i>	<i>Note</i>	<i>2025</i>	<i>2024</i>
Cash flow from operating activities			
Receipts			
Receipts from commodity levies		3,953,345	4,680,597
Receipts from shared research projects		1,161,039	887,164
Receipts from grants		36,750	1,275,776
Receipts from services provided		599,285	518,291
Other cash receipts		45,000	60,456
Interest received		177,789	163,619
Income tax (net)		7,891	-
Goods and services tax (net)		39,504	-
		6,020,603	7,585,903
Payments			
Payments to employees & directors		1,856,808	1,495,342
Payments to suppliers		4,966,271	5,083,822
Goods and services tax (net)		-	50,148
Income tax (net)		-	47,476
		6,823,079	6,676,788
Net cash (outflow)/inflow from operating activities		(802,476)	909,115
Cash flow from investing activities			
Receipts			
Proceeds from sale of plant and equipment		-	686
Proceeds from maturity of investments		338,680	-
		338,680	686
Payments			
Purchase of other investments		793,590	52,078
Purchase of plant and equipment		13,272	32,968
Purchase of intangibles		-	7,335
		806,862	92,381
Net cash outflow from investing activities		(468,182)	(91,695)
Net increase/(decrease) in cash and cash equivalents		(1,270,658)	817,420
Add opening cash and cash equivalents		3,174,633	2,357,213
Closing cash and cash equivalents	4	1,903,975	3,174,633

The accompanying notes are an integral part of these financial statements.



New Zealand Apples and Pears Incorporated

Notes to the Financial Statements

For the year ended 31 March 2025

1. Reporting Entity

New Zealand Apples and Pears Incorporated (the 'Society') is an incorporated society and is domiciled in New Zealand. The Society is registered under the Incorporated Societies Act 2022. The Society is a public benefit entity for the purposes of reporting in accordance with the Financial Reporting Act (2013).

The Society is the national body that promotes and represents the New Zealand pipfruit (apple, pear and nashi) industry – growers, packers, and exporters of apples and pears in domestic and export markets.

2. Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime as appropriate for Tier 2 not-for profit public benefit entities. The Society is a Tier 2 reporting entity on the basis it does not have public accountability and is not large. The financial statements have been prepared on a going concern basis. All accounting policies have been applied consistently throughout the period.

3. Functional and Presentation Currency

These financial statements are presented in NZD, which is the Society's functional currency. All amounts have been rounded to the nearest dollar.

4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following disclosure item, which is measured on an alternative basis on each reporting date.

Item	Measurement bases
Disclosure of indicative valuation of equity accounted investment based on discounted cashflow of PVR's	Fair value

5. Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Society's accounting policies and the reported amounts of assets, liabilities, revenue, expenses, and the accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the current year.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 7 – Commodity levy revenue: the period to which the revenue relates;
- Note 7 – Determining whether the Society is acting as a principal or as an agent;
- Note 9 – Recognition of deferred tax assets or liabilities; and
- Note 13 – Determination of joint control of investee.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2025 are included in the following notes:

- Note 7 – estimation of research accrual; and
- Note 13 – equity accounted investment, impairment test and valuation disclosure.

i. Measurement of fair values

A number of the Society's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Society uses observable market data as far as possible, or for non-cash-generating assets, depreciated replacement cost.

6. Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

A. Impairment of Non-Financial Assets

At each reporting date, the Society reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in surplus or deficit. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

B. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Society at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in surplus or deficit.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

7. Revenue

<i>in NZD</i>	2025	2024
Revenue from non-exchange transactions		
Commodity levy (A)	4,065,330	4,358,103
Biosecurity levy	-	-
Shared research	1,322,346	1,019,569
Grants	302,260	1,147,306
<i>Total revenue from non-exchange transactions</i>	<u>5,689,936</u>	<u>6,524,978</u>
Revenue from exchange transactions		
Residue testing	80,414	88,165
Membership fees	23,500	24,525
Annual conference	207,678	94,493
Administration services	21,500	21,500
International tradeshow (B)	187,600	151,000
Other revenue	70,813	69,744
<i>Total revenue from exchange transactions</i>	<u>591,505</u>	<u>449,427</u>
Total revenue	<u>6,281,441</u>	<u>6,974,405</u>

(A) Net income from commodity levies of \$3,833,339 (2024: \$4,208,284) was recognised after deducting commission, collection costs and bad debts, and after allowing for impairment or impairment reversals. Commodity levy income has been applied to advancing various industry interests and the administrative support of the Society as detailed in Note 8. (B) The Society co-ordinates a stand at an International Tradeshow on behalf of exporters. The associated expenses are included in Market access expenses in Note 8, the net cost to the Society is nil (2024: nil).

Accounting Policies**A. Revenue from non-exchange transactions**

Non-exchange transactions are those where the Society receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange. Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Society will receive an inflow of economic benefits or service potential; and
- The fair value can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

The following are the specific recognition criteria in relation to the Society's non-exchange transactions:

i. Commodity levy

Commodity levy is a levy imposed on all apples and pears grown and sold/exported by growers in New Zealand under the Commodity Levies (Apples and Pears) Order 2024 (2024: Commodity Levies (Apples and Pears) Order 2018).

ii. Biosecurity levy

Biosecurity levy is a levy imposed on apples and pears grown in New Zealand by growers for commercial purposes under the Biosecurity (Response – Apples and Pears Levy) Order 2020. Biosecurity levy revenue is recognised as income in the year that it is invoiced. Invoices are issued based on annual grower registration details provide to the Society as at 1 August each year. Biosecurity levy monies received by the Society can only be used to pay the Society's share of a Government Industry Agreement for Biosecurity Readiness and Response (GIA) response. The Biosecurity levy monies may be invested until it is spent (refer Note 10 Cash and Cash Equivalents and Note 12 Other Investments).

iii. Shared research

Shared research revenue includes grants given by government or other organisations for conducting research relating to or affecting the pipfruit industry. Shared research revenue is recognised when the conditions or restrictions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

iv. Grants

The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset. Stipulations that are 'conditions' specifically require the Society to return the inflow of resources received if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied. Stipulations that are 'restrictions' do not specifically require the Society to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

The Society receives grant funding from government and non-government entities to support the Society's objectives. Depending on the stipulations of each grant the Society may or may not have to return unspent funds. If there are conditions attached, revenue in relation to that particular grant is not recognised until the conditions are fulfilled. For grants with restrictions, the revenue is recognised when it is received by the Society.

B. Revenue from exchange transactions

i. Rendering of services

The Society is involved in providing services, including organising events for members. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. The Society recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on percentage of work performed.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

ii. Interest income

Interest income is earned for the use of cash and cash equivalents and term deposits. Interest income is recognised in the statement of surplus or deficit as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

iii. Income received as an agent

If the Society acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of fees made by the Society. The Society is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

8. Expenses

<i>in NZD</i>	2025	2024
Research expenses (A)	2,556,111	2,207,672
Market access	847,420	722,831
Biosecurity (B)	364,134	91,345
Advocacy, knowledge management & communications	687,137	1,358,741
Capability development	301,292	32,589
RSE scheme	11,728	38,719
New varieties	4,100	30,188
Employee benefit expense (C)	1,661,421	1,334,413
Commodity levy collection fees & expenses	159,623	171,886
Allowance for expected credit losses	(13,294)	(22,067)
Depreciation & amortisation	29,762	32,828
Operating lease payments	116,128	119,926
Other operating costs (D)	556,667	705,080
Total operating expenses	7,282,229	6,824,151

Accounting Policies

A. Research expenses

The Society contracts external parties to undertake research on behalf of the pipfruit industry. These costs are expensed as incurred. Future commitments are disclosed in Note 18.

B. Biosecurity expenses

Biosecurity expenses include the Societies contribution of \$285,488 for the two Fruitfly responses that occurred during the year (2024: nil). This is funded from the Government Industry Agreement (GIA) fund.

C. Employee benefit expense

Short-term employee benefits are expensed as the related service is provided. A current liability is recognised for the amount expected to be paid wholly before 12 months after reporting date, if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Employee benefit expenses includes 'core' employee expenses, it does not include all employee related costs as \$38,707 of some employee benefit expenses are included in other expense categories (2024: \$136,358). During the year the Society made contributions of \$44,781 to defined contribution plans (2024: \$39,807).

Notes to the Financial Statements cont.

For the year ended 31 March 2025

D. Other operating expenses

Other operating expenses include audit fees of \$23,000 (2024: \$32,244) paid to BDO Hawke's Bay for the audit of the financial statements and \$3,150 (2024: \$nil) for other advisory services.

9. Taxes

The Society is a non-profit organisation to which the statutory deduction provisions of section DV 8 of the Income Tax Act 2007 apply. The Society is also a member organisation and is therefore only liable for income tax on any income from transactions to which the mutual association provisions of subpart HE of the Income Tax Act 2007 apply.

<i>in NZD</i>	2025	2024
Amounts recognised in profit or loss		
Current tax expense	-	-
Tax expense/(benefit)	-	-
Reconciliation of effective tax rate		
Total surplus before income tax	(1,172,384)	263,743
Income tax at 28%	(328,267)	73,848
Tax effect of taxation adjustments:		
Exempted income	(1,194,609)	(1,361,955)
Exempted expenses	1,416,024	1,319,621
Share of equity accounted investee (surplus)/deficit	102,181	14,576
(Tax losses utilised)/Tax losses not recognised	4,671	(46,370)
Non-profit organisation deduction	-	280
Tax expense/(benefit)	-	-
Income tax refund due		
Tax payable/(refundable) at the start of the period	(67,414)	(19,938)
Current year tax expense	-	-
Resident withholding tax deductions	(48,107)	(45,922)
Imputation credits held	(107)	(100)
Refunds received	63,257	-
Adjustment to prior year	(4,593)	-
Tax payable/(refundable) on behalf of Administered funds	(2,559)	(1,454)
Tax payable/(refundable) at the end of the period	(59,523)	(67,414)
Unused tax losses not recognised as deferred tax asset	22,662	24,471

Accounting Policies

A. Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred. The tax currently payable is based on taxable profit for the year. Taxable profit differs from "Surplus before tax" as reported in the statement of comprehensive revenue and expense because the Society is exempt from tax relating to member's subscriptions and is only subject to tax on non-member related activities and member transactions specifically subject to the mutual association provisions of the Income Tax Act 2007. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

B. Deferred taxes

PBE IAS 12 Income taxes requires that the Society recognise a deferred tax liability (or asset) for any taxable (or deductible) temporary differences between the carrying amount of the Society's assets and liabilities recognised on the balance sheet and their tax base. Management have applied their judgement and determined that no taxable (or deductible) temporary differences exist, due to the Society's assets and liabilities being derived from non-taxable activities and due to the limited nature of taxable activities of the Society, the probability of utilising tax losses is uncertain. As a result, no deferred tax liabilities or assets have been recognised.

10. Cash and Cash Equivalents

<i>in NZD</i>	2025	2024
Cash and cash equivalents	1,903,975	3,174,633

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

A. Restricted cash balances

<i>in NZD</i>	2025	2024
Funds held in trust	218,050	219,018
Biosecurity levies	370,782	3,106
Total restricted cash balances	588,832	222,124

Cash and cash equivalents includes funds which are restricted in their use, due to being held in trust on behalf of industry groups, or received for biosecurity levies.

The Society has an overdraft facility of \$100,000 (2024: \$100,000). The security for the facility is the Reserve fund, which is invested in term deposits (refer note 12).

Accounting Policy

See Note 17 Financial instruments.

11. Recoverables from non-exchange transactions and Receivables from exchange transactions

<i>in NZD</i>	2025	2024
Recoverables from non-exchange transactions		
Commodity and biosecurity levies	344,170	234,179
less allowance for credit losses	-	(15,288)
Research and other grant recoveries	480,567	334,260
Total recoverables from non-exchange transactions	824,737	553,151
Receivables from exchange transactions		
Trade receivables	196,610	122,955
less allowance for credit losses	-	-
Total receivables from exchange transactions	196,610	122,955

All recoverables and receivables are on standard credit terms and are interest free.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

Accounting Policy

See Note 7 Revenue and Note 17 Financial Instruments.

12. Term Deposits

<i>in NZD</i>	2025	2024
Term deposits	2,219,150	1,764,240

The Society's term deposits are held for the purpose of three funds, \$660,000 for the Reserve fund (2024: \$600,000), \$715,795 for the Additional Operational Reserve (2024: \$nil), and \$843,355 for the GIA fund (2024: \$1,164,240).

The Reserve fund was created to provide for a shortfall in Commodity Levy income as this may seriously impact the ability of the Society to meet its objectives and obligations.

The Additional Operational Reserve was created during 2025 and is additional to the Reserve fund. It is equivalent to three months operating expenses (Research and development, and fully cost recovered projects are included at their net spend amount) less the current Reserve fund.

The GIA fund was created after the Society signed the GIA. The GIA details the cost sharing mechanism between industry and the government during a Biosecurity response.

Term deposits have maturities up to 12 months (2024: up to 12 months), and interest rates from 4.4% to 6.3% per annum (2024: 6% to 6.3% per annum).

Accounting Policy

See Note 17 Financial Instruments.

13. Investment in Equity-Accounted Investee

<i>in NZD</i>	2025	2024
Net carrying value		
Equity accounted investment at cost	14,285,944	15,649,264
Accumulated share of deficit	(12,507,810)	(12,142,877)
Net carrying value	1,778,134	3,506,387
Movements in carrying amounts		
Carrying value at the beginning of the year	3,506,387	3,558,445
Cancellation of uncalled capital	(1,363,320)	-
Loss on transfer of shareholding	(467,242)	-
Share of surplus / (deficit) for the year	102,309	(52,058)
Carrying value at the end of the year	1,778,134	3,506,387

The Society holds 53% of the shares (2024: 55%) in Prevar Limited ("Prevar"), which is a joint venture entity registered and domiciled in New Zealand. During the year the Society along with the other shareholders of Prevar, signed a deed of variation to the shareholder agreement. As a result, Prevar re-purchased 34,694 unpaid Class A Shares held by the Society, and 38,339 unpaid Class A Shares held by The New Zealand Institute for Plant and Food Research Limited ("PFR"), with the consideration being equivalent to the outstanding capital payable by the Society and PFR. Prevar cancelled the re-purchased shares, and at the same time, the Society transferred 11,514 Class A Shares to PFR for nil consideration.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

A. Capital Payable to Prevar

<i>in NZD</i>	2025	2024
Opening balance	1,363,320	1,363,320
Extinguished due to deed of variation to the shareholder agreement	(1,363,320)	-
Closing balance	-	1,363,320

B. Prevar's summarised financial statements

Prevar has a balance date of 31 March. The following table summarises the financial information of Prevar as included in its own financial statements adjusted for differences in accounting policies:

<i>in NZD</i>	2025	2024
Current assets	4,994,453	7,623,813
Non-current assets	865,243	760,886
Current liabilities	(2,504,727)	(2,009,450)
Non-current liabilities	-	-
Net assets (100%)	3,354,969	6,375,249
Revenue	7,796,163	6,557,602
Expenses	7,603,127	6,652,253
Total comprehensive income (100%)	193,036	(94,651)
Total comprehensive income (Society's share)	102,309	(52,058)

There were no contingent liabilities incurred in relation to the Society's interest in Prevar (2024: nil).

C. Impairment of Prevar

The Society has determined that there is no objective evidence that its net investment in Prevar is impaired. In order to support their judgement in relation to this determination, the Society notes that Prevar has net assets of \$3,294,362 at 31 March 2025 (2024: \$6,375,249), and have assessed that the value of Prevar's plant variety rights (PVR's) are in excess of their carrying value, on the basis of discounted cash flows in relation to forecast revenues from existing agreements for PVR's.

The discounted cash flows for forecast revenues from PVR's are estimated at \$25.5m (2024: \$21.5m), based on the following key assumptions:

<i>in percent</i>	2025	2024
Discount rate	20% - 50%	20% - 50%
Post forecast growth rate	2%	2%

The discount rate was a post-tax measure assessed by reference to typical venture capital required returns on early stage investments as provided by independent advisors. The cash flow projections include forecasts for 10 years (2024: 10 years), extrapolated to a maximum of 29 years (2024: 29 years) depending on the period of rights, based on estimated revenue and expenses for agreements as at the date of the assessment as well as projected operating expenses. Significant estimation uncertainties in the determination of the future cash flows receivable by Prevar under the PVR's are the assumptions in regard to future plantings of existing PVR's, crop yields and resulting revenue generated by the licensees.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

Accounting Policy

The Society's interest in equity-accounted investee comprises an interest in a jointly-controlled entity, referred to as a joint venture within these financial statements. The Society has determined that the entity is jointly controlled, as it was established by contractual agreement and requires unanimous consent for strategic, financial and operating decisions.

The interest in the joint venture is accounted for using the equity method. It was initially recognised at cost, which included transaction costs, from the date that joint control commenced. Subsequent to initial recognition, the financial statements include the Society's share of the surplus or deficit and other comprehensive revenue and expense of the equity-accounted investee and any other changes in the interest held, until the date on which joint control ceases.

14. Intangible Assets

Reconciliation of carrying amount

<i>in NZD</i>	<i>Website Content & Online Tools</i>	<i>Total</i>
Cost		
Balance at 1 April 2023	207,905	207,905
Balance at 31 March 2024	159,149	159,149
Purchases	-	-
Disposals	106,216	106,216
Balance at 31 March 2025	52,933	52,933
Accumulated amortisation and impairment losses		
Balance at 1 April 2023	35,672	35,672
Balance at 31 March 2024	40,818	40,818
Amortisation	6,058	6,058
Disposals	-	-
Balance at 31 March 2025	46,876	46,876
Carrying amounts		
At 1 April 2023	172,233	172,233
At 31 March 2024	118,331	118,331
At 31 March 2025	6,057	6,057

Accounting Policy

A. Recognition and measurement

Intangible assets, which comprise website content and online tools, are initially measured at cost except for those acquired through non-exchange transactions (which are measured at fair value). Cost includes expenditure that is directly attributable to the acquisition of the asset, and for self-constructed intangible assets includes the cost of materials and direct labour. Subsequent to initial recognition, website content and online tools are measured at cost less accumulated amortisation and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

C. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the diminishing value method over their useful lives and is recognised in surplus and deficit, as part of operating expenses.

The estimated useful lives for current and comparative periods are as follows:

- Website content and online tools: 2-10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

15. Payables from exchange transactions

<i>in NZD</i>	2025	2024
Trade creditors	239,435	223,371
Research contracts	778,058	657,080
Accruals	364,128	95,109
Total Payables from exchange transactions	1,381,621	975,560

Payable are on standard credit terms and are interest free.

Accounting Policy

See Note 8 Expenses and Note 17 Financial instruments.

16. Deferred Revenue

<i>in NZD</i>	2025	2024
Government grants (A)	28,032	204,032
Non-Government grants	303,190	296,813
Total deferred revenue	331,222	500,845

A. Government grants

Government grants have been provided by the Ministry of Social Development and are conditional on the funds being utilised in accordance with the contracts. The grants are recognised as deferred revenue and released to the Statement of Comprehensive Revenue and Expense as contracted expenses are incurred.

Accounting Policy

See Note 7 Revenue

Notes to the Financial Statements cont.

For the year ended 31 March 2025

17. Financial Instruments

<i>in NZD</i>	2025	2024
Financial assets at amortised cost		
Cash and cash equivalents	1,903,975	3,174,633
Recoverables from non-exchange transactions	548,968	334,897
Receivables from exchange transactions	141,489	50,647
Term deposits	2,219,150	1,764,240
Total Financial assets at amortised cost	4,813,582	5,324,417
Financial liabilities at amortised cost		
Trade and other payables	1,171,516	1,639,315
Capital payable	-	1,363,320
Funds held in trust	218,050	219,018
Total Financial liabilities at amortised cost	1,389,566	3,221,653

Accounting Policy

The Society classifies all its financial assets at amortised cost.

The Society classifies all its financial liabilities at amortised cost.

A. Financial assets and financial liabilities - recognition and derecognition

The Society initially recognises financial assets and financial liabilities on the date that they originated.

The Society derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Society is recognised as a separate asset or liability.

The Society derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

B. Financial assets at amortised cost - measurement

Financial assets at amortised cost are initially measured at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less impairment provisions.

C. Financial liabilities at amortised cost - measurement

Financial liabilities at amortised cost are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities at amortised cost are measured at amortised cost, and changes therein are recognised in surplus or deficit.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

D. Impairment

Short-term trade receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL. In measuring ECL, short-term trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term trade receivables are written off when there is no reasonable expectation of recovery.

18. Commitments**A. Operating leases**

<i>in NZD</i>	2025	2024
Less than one year	27,915	91,125
Between one and five years	16,636	44,551
More than five years	-	-
Total Operating lease commitments	44,551	135,676

Operating lease commitments include office space, a vehicle and a photocopier (2024: office space, a vehicle and a photocopier). The lease for the office space is for six years (commenced 1 June 2019), with a right of renewal at the end of the current lease term. Rent reviews are three yearly to CPI or market (whichever is greater).

Subsequent to year end the lease for the office space has been renewed for a further six years, starting 31 May 2025.

Accounting Policy**I. Lease payments**

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

B. Research and development

<i>in NZD</i>	2025	2024
Less than one year	1,339,737	1,367,575
Between one and five years	4,375,690	4,366,666
Total Research and development commitments	5,715,427	5,734,241

The Society's significant research contracts contain clauses whereby if the Society does not collect sufficient commodity levy income due to an adverse event the contracts may be cancelled.

19. Contingent liabilities

The Society has a contingent liability arising from the GIA. The GIA details the cost sharing mechanism between industry and the government during a biosecurity response. A liability is recognised when a biosecurity response is initiated, and the cost can be reliably measured. The GIA fund has been established to meet the costs of a biosecurity response. The GIA fund is funded by Biosecurity Levy income, interest and commodity levy income. There are no other contingent liabilities as at 31 March 2025 (2024: nil).

Notes to the Financial Statements cont.

For the year ended 31 March 2025

20. Equity and Reserves**Capital management**

The Society's capital is its equity, which comprises accumulated comprehensive revenue and expense. Equity is represented by net assets.

The Society manages its equity prudently as part of the process of effectively managing its revenues, expenditure, assets, liabilities and all related financial affairs. In order to ensure that the Society achieves all its objectives and purpose, the Society has a Board of Directors that actively controls and monitors progress of plans and activities against financial and other performance indicators.

The Society is not currently subject to any externally imposed capital requirements.

21. Related Parties**A. Equity accounted investee**

The Society received revenue from providing administration support and for cost recoveries during the period.

<i>in NZD</i>	<i>Sales made</i>		<i>Amount receivable</i>	
	2025	2024	2025	2024
Prevar Limited	45,086	9,863	5,295	2,524

B. Transactions with key management personnel**i. Key management personnel compensation**

Key management personnel includes the Directors and Senior management. In the current year, senior management consisted of the Chief Executive Officer, Chief Financial Officer, Biosecurity Manager, R&D Programmes Manager, Market Access Manager, and Communications Manager.

The aggregate level of remuneration paid and number of persons (measured in "full-time-equivalents" (FTEs) for senior management) in each class of key management personnel is presented below:

<i>in NZD</i>	2025		2024	
	<i>Remuneration</i>	<i>Number</i>	<i>Remuneration</i>	<i>Number</i>
Directors	194,000	8	196,500	8
Senior Management	879,865	6	967,162	7
Total	1,073,865		1,163,662	

ii. Key management personnel transactions

Adrienne Sharp is a Director of the Society (appointed January 2025) and also key management personnel of T&G Global Ltd. Craig Betty was a Director of the Society (resigned December 2024) and also key management personnel of T&G Global Ltd. The Society received sponsorship and levies from T&G Global Ltd and related entities during the period. Companies in which T&G Global Ltd are a shareholder have entered into commercial agreements with Prevar, and Prevar has received commercial income from these Companies during the period.

Andrew Common is a Director of the Society (elected July 2024) and also a Director of Common Horticulture Ltd and Fruitcraft New Zealand Limited. The Society received levies from Common Horticulture Ltd. Fruitcraft New Zealand Ltd have entered into commercial agreements with Prevar. Prevar received commercial income from Fruitcraft New Zealand Ltd during the period.

Notes to the Financial Statements cont.

For the year ended 31 March 2025

Cameron Taylor is a Director of the Society and also key management personnel of Taylor Corporation Ltd. The Society received levies, residue testing fees and other minor revenue from Taylor Corporation Ltd during the period. Taylor Corporation Ltd and Golden Del Orchard Ltd are closely related entities. Golden Del Orchard Ltd is a shareholder in Next Generation Apples Ltd who have entered into commercial agreements with Prevar. Prevar has received commercial income from Next Generation Apples Ltd during the period.

Evan Heywood was a Director of the Society (term ended July 2024) and also a Director of Heywood Orchard Ltd, Managing Director of Golden Bay Fruit Packers Ltd, Director of Golden Bay Fruit 2008 Ltd, Next Generation Apples Ltd, Karearea Orchards Ltd and has been appointed by the Society to the Prevar Board of Directors. The Society received levies, residue testing fees, and other minor revenue from Heywood Orchard Ltd and Golden Bay Fruit Ltd during the period. Next Generation Apples Ltd have entered into commercial agreements with Prevar. Prevar received commercial income from Next Generation Apples Ltd during the period.

Jackie van der Voort is a Director of the Society and also the CEO of CAJ Apples, owned by SI Orchards Ltd. She is also a Director of CAJ & EM Van der Voort Ltd. She has been appointed by the Society to the Prevar Board of Directors. The Society received levies and other minor revenue from SI Orchards Ltd during the period.

John Allen is a Director of the Society and also key management personnel of Mr Apple New Zealand Ltd. The Society received sponsorship, levies, residue testing fees and other minor revenue from Mr Apple New Zealand Ltd during the period. Companies in which Mr Apple New Zealand Ltd are a shareholder have entered into commercial agreements with Prevar, and Prevar has received commercial income from these Companies during the period.

Lesley Wilson is a Director of the Society. She is also a Director of her orcharding operation DN & LR Wilson Ltd and has financial interests in Mt Erin Ltd and Mt Erin Group Ltd. The Society received levies and other minor revenues from DN & LR Wilson Ltd during the period. Lesley was also a Director of the Horticulture Export Authority (position ended February 2025), is chair of the Horticulture New Zealand inc. Director Remuneration Committee and is a Director of the Grower Relief Fund Trust.

Matthew Stafford is a Director of the Society and also key management personnel of Bostock New Zealand Ltd. The Society received levies and other minor revenues from Bostock New Zealand Ltd during the period. Bostock New Zealand Ltd is owned by Bostock Group Ltd. Companies in which Bostock Group Ltd are a shareholder have entered into commercial agreements with Prevar, and Prevar has received commercial income from these Companies during the period.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

Notes to the Financial Statements cont.

For the year ended 31 March 2025

in NZD	<i>Revenue from related party transactions</i>		<i>Amounts receivable/(payable)</i>	
	2025	2024	2025	2024
Bostock New Zealand Ltd	314,271	225,436	8,959	586
CAJ and EM Van der Voort Ltd	-	69,853	-	-
SI Orchards Ltd (& related entities)	88,917	-	56,983	-
DN & LR Wilson Ltd	9,588	7,212	-	-
Golden Bay Fruit Packers Ltd/Golden Bay Fruit 2008 Ltd	40,354	35,765	(3,404)	-
Heywood Orchards Ltd & Karearea Orchards Ltd	34,604	50,019	-	-
Mr Apple New Zealand Ltd (& related entities)	532,812	636,615	1,581	-
T&G Global Ltd (& related entities)	166,908	157,848	2,044	-
Taylor Corporation Ltd (& related entities)	90,509	38,601	19,194	-
Common Horticulture Ltd	1,248	n/a	-	n/a

All transactions with related parties are on normal trade terms and conditions. There were no amounts written off or impaired during the period (2024: nil).

22. Subsequent Events

There are no material subsequent events that affect these financial statements for 31 March 2025, other than the renewal of the operating lease for the office space as disclosed in note 18. (2024: nil).

23. Comparatives

Comparative figures have been reclassified where necessary to conform to the current year's presentation.

Directory



Registered Office:

507 Eastbourne Street West,
Hastings 4122

Contact Details:

PO Box 11094
Hastings 4156

Phone: +64 6 873 7080
Website: www.applesandpears.nz



Solicitors:

Crengle Shreves & Ratner
PO Box 10236
Wellington 6143



Bankers:

Bank of New Zealand
117 Heretaunga Street West
Hastings 4122



Auditors:

BDO Hawke's Bay
PO Box 944
Napier 4140





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