

## Annual Report 2007/2008



## Message from the Chairman



I am very pleased to convey my congratulations to all those involved during our inaugural year of operating the Agrecovery rural recycling programme. This is our first annual report and our opportunity to thank participants, highlight our achievements and give an insight into what we are looking to achieve.

The users and suppliers of agrichemicals took hold of the need to provide stewardship for used agrichemical containers some years back, culminating in the formation of the Agrecovery Foundation in December 2005. The Agrecovery Foundation Trustees wish to thank the agrichemical supply industry for championing Agrecovery in a non-regulatory stewardship environment, getting the programme past the post with a critical volume commitment in 2006, ready for launch on 1 April 2007.

Special thanks is extended to those brand owners participating in Agrecovery in its first year, especially those who started with us from 1 April 2007.

The Foundation Trustees represent both suppliers and users across New Zealand's primary industry. This commitment is testament to the need and desire of the land based industries to meet their environmental responsibilities. I wish to thank the Trustees for their diligence, enthusiasm and time. The Agrecovery Foundation is ably administered through the NZ Agrichemical Education Trust which has been involved since the creation of the scoping project back in 2001.

This continuity has contributed to the success of the programme.

The primary industries want this programme and they need it to succeed to meet their obligations in the market place. I therefore strongly recommend to those brand owners who are yet to join Agrecovery, to get on and sign up. Farmers and growers get pretty sick and tired of having to find alternative disposal routes for brands that are not part of the Agrecovery programme. The number of brand owners has increased during our first year. These brand owners have seen the advantages to their business and are now meeting their customers' needs.

Our programme managers, 3R, are working extremely hard to meet and exceed everybody's expectations. They run a very professional programme and the Agrecovery Foundation rely heavily on their expertise. I wish to thank the Directors and staff at 3R for their energetic and positive management. We will be increasing the marketing and promotion of Agrecovery in the coming year and 3R will be fronting much of that activity.

Finally, I am looking forward to seeing the programme grow, so the coming year will see us focusing on new brand owners and a second phase for the Foundation, the recovery of unwanted agrichemical concentrate. I wish you all the best for the coming year.

A handwritten signature in blue ink, appearing to read 'Rg K', written in a cursive style.

Richard Kempthorne  
Chair, Agrecovery Foundation

# Contents

Message from the Chairman	1
Programme Manager's Report	3
Agrecovery Brand Owners	5
Agrecovery Shredding Truck and Website	7
Champion's Messages	8
Message from the Administrator	10
Financial Report 2007/2008	11



# Congratulations



Congratulations to the Agrecovery Foundation and programme managers of Agrecovery on a successful first year of operation.

I am well aware of the difficulties faced in setting up a product stewardship scheme. It takes determination and vision to succeed. Agrecovery's broad support, national coverage and strong growth show that those difficulties should not stop us aiming high.

I hope Agrecovery's success can prompt other businesses and industries to take responsibility for the environmental impacts of their products, and so contribute to New Zealand's aim of being truly sustainable.

The Government is working on initiatives to ensure that it will be easier to be sustainable. Product stewardship schemes will be able to be developed more quickly, have greater participation and be easier to use for the customer. Voluntary initiatives are the preferred option but the Waste Minimisation Bill, currently before Parliament, will enable regulation to be used when necessary to prevent free-riding.

Thank you to all the businesses, farmers, growers and councils who are participating in Agrecovery. You are meeting the needs of your customers and recognising the importance of a 'clean, green' environment for the agricultural industry and New Zealand as a whole.

A handwritten signature in blue ink, reading "Trevor Mallard".

Hon Trevor Mallard  
Minister for the Environment

# Programme Manager's Report



The first year success of Agrecovery is in a lot of ways a special tribute to the many New Zealanders who have contributed to making Agrecovery a reality. And what a year it has been!

There has been no shortage of volunteers putting their hands up wanting to assist the programme and for no other reason than their strong desire to be part of something they know will make a significant difference. Their efforts are being well rewarded already.

After being given the green light in December 2006 to establish Agrecovery with a start date of 1st April 2007 we, as programme managers, set ourselves high expectations for programme delivery, participation and professionalism in all areas. The first year development of Agrecovery and the feedback received suggest a programme of the very highest calibre, albeit with room to improve.

By April 1 we had 22 of the proposed 50 collection sites operating. With just three months to achieve this, it was

a challenge of significant proportions. The enormous commitment and effort of 3R staff and its suppliers was tested but in the end we can be satisfied with the achievements. Throughout the rest of the year we have established the balance of the sites which are now working across the country.

There have been a number of significant milestones and events throughout the year:

- Training hundreds of people throughout New Zealand on the important aspect of accepting triple rinsed containers
- Establishing a very comprehensive website
- Developing the promotional tool kit and the overall rapid improvement in recognition of the brand name Agrecovery
- Launching the Agrecovery mobile shredding truck and the huge interest it has generated
- A nationwide road show undertaken during October 2007 where we presented the programme to retailers, farmers and growers
- Presentations and participation at conferences and industry events throughout the year
- Signing 14 new brand owners and relationships established and strengthened with the 16 originals that committed to Agrecovery
- The significant increase in container volume recovery and overall participation rates, especially in the past six months

Developing the world's first mobile shredding truck designed to specifically process agrichemical containers has to rate as one of the year's greatest highlights. Not only for its service capability, but also in raising the profile of the programme as it travels throughout the North and South Island. The highly visual truck has created an enormous amount of public interest and has become one of our best public awareness and education tools.

Our Agrecovery Champions deserve special mention. As every day users, they have volunteered to publicly stand up for the programme. They have given us wonderful stories about why they have embraced Agrecovery and are now inspiring others to come on board. Their experiences are real and this is what makes the difference.

People are quickly becoming the greatest asset of Agrecovery. From the council officers, councillors, rural contractors, transfer station staff, container inspectors, grower associations, media, retailers and their store staff and brand owners to the farmers and the growers taking part – every single person is making a contribution to the success of the programme.

We are also seeing regions, like Gisborne, standing out, where growers and farmers are rallying together encouraging their neighbours, colleagues and friends to be part of the programme. This has shown us that

spreading the Agrecovery word is about education and communication in the field and on the farm.

Agrecovery is really starting to gain traction. Month on month, more and more people are taking part. In the last six months we have collected approximately 60,000 to 70,000 containers and based on the current level of participation we expect this to rise throughout 2008.

Farmers and growers are looking for solutions beyond containers including silage wrap, larger drum recovery and the chemicals themselves. Agrecovery is shaping its work programme to develop robust and sustainable stewardship solutions for these products too.

It has been fantastic to be involved in finally implementing the programme that everyone said we have needed for years. Our first year has taught us a lot and those lessons will be carried through to make the programme even better.

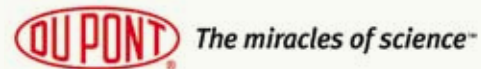
You Beauty!



Bruce Emerson  
Director: 3R Group Ltd  
Agrecovery Programme Managers



# You beauty!...





# thanks for your support



# World First Recycling Truck



Agrecovery's world first agrichemical container recycling truck was launched to rural retailers, farmers and growers in a nationwide tour during October and November last year. World-leading shredding technology developed by 3R Group and AXO Shredders is at the heart of the unique truck which has been developed to efficiently process plastic agrichemical containers.

The truck has the capacity to store and shred up to 3,500 20-litre containers on board which means it can stay out in the field a long time. This is useful when you consider that the collection sites are spread the length of New Zealand.

The truck is proving to be a very valuable tool in Agrecovery's efforts to collect some of the millions of containers used every year in New Zealand and it is also a great marketing tool to promote the programme, generating interest wherever it goes.

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



The Agrecovery website is a user-friendly resource that provides an overview of the Agrecovery rural recycling programme, as well as practical advice on how people can take advantage of it.

Farmers and growers nationwide who want to play their part in making environmentally sustainable choices for the disposal of agrichemical containers have all the information they need at their fingertips when they visit [www.agrecovery.co.nz](http://www.agrecovery.co.nz).

The number of "hits" on the site has dramatically increased every month since the programme started on 1st April 2007.



## Winemaker Leads by Example

When the corks pop at Pernod Ricard vineyards nationwide, they have something significant to celebrate.

The makers of Lindauer sparkling wine are leading by example in safeguarding the country's environmental health with their decision to only buy chemicals from companies that support the Agrecovery rural recycling programme.

*"If two products sit side by side and one is in a recyclable container and the other is not, we will always go for the former. Basically if you are not recycling you are going to be left behind because it's increasingly expected."*

**Twin Islands Estate vineyard manager Andrew Dodds**



## On the Ball

All Black Legend Ian Kirkpatrick is one of Agrecovery's top supporters.

A farmer and grower for more than 30 years, he used to burn a lot of containers which were once accepted as a traditional way for farmers to get rid of them.

Every six months Ian takes his empty containers to his local Gisborne Agrecovery collection site.

*"It's a pretty straight forward process, and it gives me peace of mind knowing that I am doing the right thing."*

*"Agrecovery is really the only way to go. I'd encourage all farmers and growers to take their agrichemical containers to be recycled. It just makes sense and it's not a big deal."*

**Former All Black Captain and farmer Ian Kirkpatrick**



## Changing Attitudes

First-time horticulturalist Helen Walker has not only changed her attitude to environmental responsibility over the years, the former manager has had to master a totally new career.

*"I think we now have an ethical responsibility to do the right thing with the containers. The old way was to send containers to landfill, bury them 'on farm' or burn them. Now there is a programme in place to recycle, we should use it," believes Helen.*

*"The rural sector needs to take the lead. Our livelihood depends on looking after the soil and the environment and we don't want to leave a legacy that someone else has to sort out in 100 years' time."*

**Helen Walker**  
Havelock North Cherry Grower

## Leading the Way

One of New Zealand's largest and most successful horticultural businesses keeping its waste down is LeaderBrand Produce Ltd.

Agrecovery has allowed the company to take responsibility for a pressing environmental issue.

*"This was a practical and sensible solution to the waste problem we had.*

*"Agrecovery's put a whole lot of thought into disposing of plastic containers in the best possible way rather than them just becoming a part of general waste. The way the Gisborne Agrecovery operation is set up has been very successful from our point of view."*

**Stuart Davis**  
General Manager Operations LeaderBrand



## Message from the Administrator



The Agrecovery Foundation is administered by staff from the NZ Agrichemical Education Trust and Horticulture NZ. The linkages with the NZAET are important as it was through a NZAET managed project initiated in 2001 that Agrecovery was formed. The GROWSAFE® Management Committee are the members of the NZAET and form an ad hoc advisory group and the GROWSAFE® training programme allows us to target users and spread the Agrecovery message.

Echoing my Chair, I am also very pleased to convey my congratulations to all those involved during our inaugural year of operating the Agrecovery rural recycling programme. I am grateful for being part of the project and the programme since 2001. I am also grateful to all those people I have come in contact with, for their commitment to making Agrecovery the best stewardship programme in NZ.

I wish to thank the brand owners who respond to us on at least a quarterly basis with their volume declarations and levy payments. I know for some, there is a lot of work behind these declarations and payments, so thank you for your commitment.

This programme wouldn't run like clockwork if 3R was not involved. Bruce, Graeme and their staff deserve special recognition.

I am looking forward to seeing the programme grow with new brand owners joining Agrecovery. I wish you all the very best for the coming season.

A handwritten signature in blue ink, appearing to read 'Peter Ensor', written in a cursive style.

Peter Ensor

Business Manager; Agrecovery Foundation,  
NZAET and Horticulture NZ

# AGRECOVERY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2008

	2008	2007
<b>Current Assets</b>		
Cash at Bank	111,781	2,440
Accounts Receivable (Note 2)	242,140	137,049
<b>Total Current Assets</b>	<b>353,921</b>	<b>139,489</b>
<b>Less Current Liabilities</b>		
GST Payable	29,499	8,394
Accounts Payable (Note 3)	83,903	57,497
<b>Total Current Liabilities</b>	<b>113,402</b>	<b>65,891</b>
<b>NET ASSETS</b>	<b>\$240,519</b>	<b>\$73,598</b>

### REPRESENTED BY:

Equity as at 1 April 2007	73,598	-
Plus Net Surplus for Year	166,921	73,598
<b>TOTAL EQUITY</b>	<b>\$240,519</b>	<b>\$73,598</b>

### AGRECOVERY FOUNDATION STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

Opening Balance at 1 April 2007	73,598	Nil
Plus Net Surplus for Year	166,921	73,598
<b>BALANCE AT 31 MARCH 2008</b>	<b>\$240,519</b>	<b>\$73,598</b>



RG Kempthorne (Chair)  
13 May 2008

# AGRECOVERY FOUNDATION

## INCOME & EXPENDITURE STATEMENT

For the Year Ended 31 March 2008

<b>INCOME</b>	<b>2008</b>	<b>2007</b>
Grants	26,533	178,477
Levies	978,202	112,928
Sale of Recovered Container Plastic	3,900	-
Sale of Labels	1,102	-
Interest	127	26
Other	512	-
<b>Total Income</b>	<b>\$1,010,376</b>	<b>\$291,431</b>
<b>EXPENDITURE</b>		
<b>Programme Management &amp; Delivery</b>		
Administration	152,500	41,917
Operations	459,917	80,617
Compliance	51,244	-
Training	48,733	46,000
Auditing	6,000	10,300
Marketing & Communications	99,111	19,600
<b>Total Programme Management &amp; Delivery</b>	<b>817,505</b>	<b>198,434</b>
<b>Foundation Administration</b>		
Audit Fee	2,000	2,000
Secretarial	15,303	8,011
Consulting	767	-
Legal	894	6,212
Intellectual Property	3,517	2,605
Travel	1,160	-
Interest on Loan	1,574	-
Other	735	571
<b>Total Foundation Administration</b>	<b>25,950</b>	<b>19,399</b>
<b>Total Expenditure</b>	<b>843,455</b>	<b>217,833</b>
<b>NET SURPLUS FOR YEAR</b>	<b>\$166,921</b>	<b>\$73,598</b>

# AGRECOVERY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2008

### 1 STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

Agrecovery Foundation is a not for profit entity incorporated on 1 May 2006 under the Charitable Trusts Act 1957. The Foundation has been developed by a coalition of major grower groups, industry parties and local and central government to provide a solution to the problem of waste agrichemical containers.

#### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Foundation.

#### Differential Reporting

The Agrecovery Foundation is a qualifying entity within the Chartered Accountants of New Zealand's Differential Reporting Framework. The Foundation qualifies for differential reporting as it is not publicly accountable and is not large. The Foundation has taken advantage of all differential reporting concessions available to it.

#### Special Accounting Policies

The following are stated at expected realisable value.

#### Accounts Receivable

Accounts Receivable are stated at expected realisable value.

#### Income Recognition

Income is recognised on an invoice basis.

#### Taxation

Agrecovery Foundation has full charitable status under section CB4 (1) of the Income Tax Act 2004 and accordingly is not liable for income tax.

#### Goods & Services Tax

The financial statements have been prepared on an exclusive basis except for Accounts Payable and Accounts Receivable which are inclusive of GST.

#### Changes in Accounting Policies

There have been no changes in accounting policy during the year.

### 2 ACCOUNTS RECEIVABLE

	2008	2007
Levy Payers	231,119	127,049
Other Debtors	11,021	10,000
<b>Total</b>	<b>\$242,140</b>	<b>\$137,049</b>

### 3 ACCOUNTS PAYABLE

	2008	2007
3R Group Limited	77,879	52,837
Other Suppliers	6,024	4,660
<b>Total</b>	<b>\$83,903</b>	<b>\$57,497</b>

### 4 CAPITAL COMMITMENTS

There are no commitments as at 31 March 2008 (2007 Nil).

### 5 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2008 (2007 Nil).

### 6 RELATED PARTIES

Agrecovery Foundation is managed by an employee of Horticulture New Zealand. Administration costs incurred by the Foundation are reimbursed to Horticulture New Zealand. There were no other related party transactions during the period under review.





# Audit Report

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## TO THE MEMBERS OF AGRECOVERY FOUNDATION

We have audited the financial report on pages 11 to 13. The financial report provides information about the past financial performance of the AgRecovery Foundation and its financial position as at 31 March 2008. This information is stated in accordance with the accounting policies set out on page 13.

### Management's Responsibilities

Management is responsible for the preparation of a financial report, which fairly reflects the financial position of the AgRecovery Foundation as at 31 March 2008, and the results of operations for the period ended on that date.

### Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Management.

### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by Management in the preparation of the financial report, and
- whether the accounting policies are appropriate to the AgRecovery Foundation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the New Zealand Auditing Standards expect that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no other relationship with, or interests in, the AgRecovery Foundation.

### Qualified Opinion

Control over levy income prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone, we have not obtained all the information and explanations that we have required.

In our opinion except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning income the financial report on pages 11 to 13 fairly reflects the results of its operations for the period ended 31 March 2008.

In our opinion the financial report on pages 11 to 13 fairly reflects the financial position of the AgRecovery Foundation as at 31 March 2008.

Our audit was completed on 14 May 2008 and our qualified opinion is expressed as at that date.

A handwritten signature in purple ink that reads "Grant Thornton".

**Grant Thornton**  
Wellington  
15 May 2008

# Agrecovery New Zealand Collection Sites

Check [www.agrecovery.co.nz](http://www.agrecovery.co.nz)  
or call 0800 247 326 for more  
details, including new sites  
opening soon.

Site information correct as of April 2008.  
Please contact Agrecovery for updates.

