

**we  
help  
you  
grow.**



**Levy proposal 2019**



Horticulture New Zealand's levy is due to expire in May 2019. This information outlines Horticulture New Zealand's value for growers, the proposed changes to the levy that growers are being asked to vote on, and the timetable for that vote in 2018.



**Vision**

Healthy food for all forever

**Our mission**

Creating an enduring  
environment where  
growers prosper

**Our purpose**

Enabling, promoting and  
advocating for growers in  
New Zealand to achieve  
the industry goal

(a \$10 billion industry by 2020)

# what is the proposal?

**Horticulture New Zealand's existing Commodity Levy Order expires in May 2019. The levy is our principal funding mechanism to support our work for growers.**

The Board of Horticulture New Zealand is seeking grower support to renew levy funding from the expiry of that order. The Commodity Levy Order changes we are seeking are outlined in this document.

The process we are required to follow includes allowing time for consultation with growers before voting. This is a guide to that consultation.

## What are the proposed changes?

The Commodity Levies (Vegetables and Fruit) Order 2013 changes we are seeking are outlined in this document. The full Commodity Levies (Vegetables and Fruit) Order 2013 can be found on the New Zealand legislation website [www.legislation.govt.nz](http://www.legislation.govt.nz).

## How much?

**No change to the maximum levy rate as it currently is at 15 cents per \$100 of sales. Keeping the actual rate at 14 cents per \$100 of sales for the first year of the new levy order.**

Horticulture New Zealand's goal is to add value to your business.

## How is it calculated?

The levy will be collected in the same way as it is currently collected, by either growers paying it directly or by the levy being deducted from payments made to growers by wholesalers, exporters, processors and post-harvest entities. The amount of the levy will be calculated based on the selling price as it is currently done. There are some proposed changes to the wording in the levy order to more accurately state the way in which the levy is calculated and to require collection agents to provide full contact and levy payment details for the growers they collect levies for.

## How is it paid?

Growers will pay the levy via levy collectors who will pay the levy to Horticulture New Zealand. Levy collectors (including: wholesalers, packhouses, auctioneers, brokers, produce distribution centres, retailers, and exporters and processors) buy fruit or vegetables from or sell fruit or vegetables on behalf of growers. In the case of sales direct to the public or grower-own exports or grower-own processing, growers will pay the levy directly to Horticulture New Zealand.

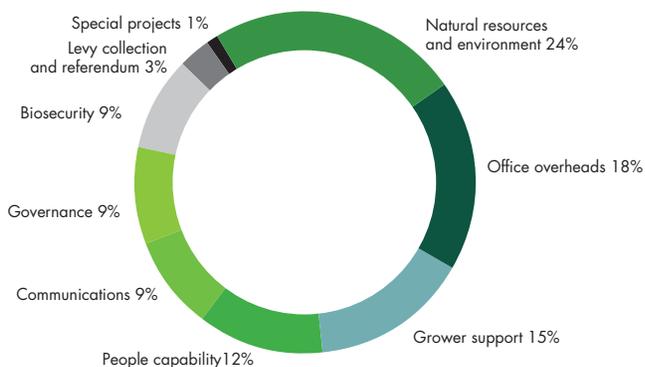
# How will the money be spent?

- **Grower representation**, advocacy and communication with growers
- Pan-sector **biosecurity** advocacy and submissions, brown marmorated stink bug (BMSB) projects and applications, submissions on import health standards and specific services for product and associated groups
- Advocating across local and central government for access to **land, water and people** – essential elements to maintaining and growing food production
- **Natural resources**, climate change, the environment and sustainability including Resource Management Act advice and submissions
- Pan-industry **research and development** support
- Pan-industry **market and trade research**, development and promotion
- Maintaining **Quality Assurance** Programmes
- Attracting, **developing and retaining people** for the horticulture industry
- **Education and training**
- Monitoring and submitting on local and central **government policy** including statutory compliance
- Services including providing information about horticulture to all interested audiences; **communications materials to promote horticulture**; government relations to advocate on behalf of growers; media engagement and responses regarding broad horticulture industry matters; holding, attending and promoting conferences and industry forums
- **Day-to-day administration** of Horticulture New Zealand including central registration and systems development

## What will this raise?

**\$4.8 million**  
per annum (approx)

## Approximate spend by area



# What happens next?



## How can I get more information?

Horticulture New Zealand will be visiting growers throughout the year to hear their plans and address any concerns. We will also be posting information on our website [www.hortnz.co.nz](http://www.hortnz.co.nz) and keeping growers up-to-date about the levy process through our external newsletter and the magazines. We won't be visiting everyone, but will get to our key growing areas.

## Who can I discuss this with?

If you want to discuss any aspects of the levy or the work of Horticulture New Zealand, please contact:

### Mike Chapman

Chief executive  
027 487 4264  
mike.chapman@hortnz.co.nz

Or any member of the Horticulture New Zealand Board

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# how we help.

## Our submissions and advocacy campaigns get listened to and effect change

Julian Raine | President Horticulture New Zealand

### One voice

- No matter what size the business is, Horticulture New Zealand gives growers a **united voice on issues** that affect the whole industry.
- We have been doing this for **100 years** and everyone in the industry benefits from it.
- We are the only industry group **representing both fruit and vegetable growers**.
- Representing growers to central and local government has meant changes for the better for growers across key areas including **biosecurity; trade; compliance; and access to land, water and people**.
- We manage on behalf of industry **NZGAP** – a multi-standard assurance scheme that enables grower food safety certification to meet market demand.

### How we achieved this

Supporting the Green party's Members' Bill to introduce **Country of Origin Labelling** with social media and media campaigns, research, and a submission to the select committee considering the Bill means this is likely to pass into law in 2018.

During the 2017 general election Horticulture New Zealand ran a media campaign to highlight that a proposed water tax would not meet its desired objective to clean up waterways. The **water tax** was taken off the table. The campaign resulted in more than 25 media interviews with either Mike Chapman or Julian Raine and four Parliamentary questions on the "merits" of water tax. The media was mostly mainstream with broad audiences and included TVNZ's Q+A programme, Newshub, Radio New Zealand, New Zealand Herald, Stuff, DominionPost, National Business Review, RadioLive, and NewstalkZB.

HortNZ President on farm leaders group that has **direct access to the Prime Minister**.

We provide a **united voice on issues for both fruit and vegetable growers**.

### Water tax

# 25

media interviews

# 4

Parliamentary questions

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**Direct access to the Prime Minister and key Ministers**



# No double ups

- Horticulture New Zealand works with product groups and district associations, but also **leaves them to cover their product specific marketing, market access, trade issues, and research and development.**
- Where **an issue impacts the whole industry, Horticulture New Zealand takes a leadership role** with capability to advocate on behalf of all growers.
- Horticulture New Zealand is **the industry body advocating for the Resource Management Act** – giving growers vital access to land and water and the “right to grow” – and working with both fruit and vegetable growers.

## How we achieved this

With funding from the **Sustainable Farming Fund**, the Don't Muddy the Water project - being tested in Pukekohe, Gisborne and Levin - focuses on keeping soil in the paddock and out of the waterways; a win for the environment, growers and consumers. This project is led by the Vegetable Research & Innovation Board.

From 2016 until now – there were **37 submissions from the Natural Resources and Environment team** across local and central government. The team has been strengthened with two additional policy advisors, Lucy Deverall in the North Island and Rachel McClung in the South Island.

Through our local government submissions **we have earned recognition that horticulture is different from other crop farming systems** and that a “one size fits all” approach doesn't work. Examples include the work underway on the Canterbury Regional Plans, Horizons One Plan and Waikato Regional Council Plan Change 1.

We take the lead on issues that impact the whole industry.

# 37

submissions from the Natural Resources and Environment team from 2016 – now

**Don't Muddy the Water project** focuses on keeping soil in the paddock and out of the waterways



# Biosecurity

- We have built **a strong team to deliver a pan-industry approach to promote protection at our borders** and readiness for any incursion to maintain sustainable production and market access.
- Working with product groups, **we shaped the policy and process for Government Industry Agreements (GIA)** for biosecurity readiness and response – there are now 15 primary sector agreements to work with the government and each other to combat biosecurity threats.

## How we achieved this

Advocated successfully, along with product groups, for changes to the **Import Health Standards (IHS) for vehicles, machinery and equipment** with a specific focus on BMSB risk. In 2018 we have seen cargo ships turned away from port because of the seriousness of BMSB risk.

Leading development of the **Environmental Protection Authority (EPA) biocontrol application for samurai wasp** to counter BMSB if it becomes established here. With strong resistance to broad chemical use, a biocontrol option is seen as important.

We deliver a coordinated approach to protection at our borders.

# 15

 primary sector agreements on biosecurity

# 20

 submissions on biosecurity since 2015

# Access to land

- We have run a **strong awareness campaign about the importance of our elite soils** and protecting them from urban sprawl and lifestyle blocks. This includes submissions to local and central government as well as discussions through media and social media.

## How we achieved this

Mainstream media coverage, particularly on the issue in Auckland of **growing houses on irreplaceable horticulture land**, including cover story in *New Zealand Herald's* The Business (17 November 2017); interview on TVNZ's Q + A; and coverage in most daily news.

Successfully advocated for **no development contribution for greenhouses in Auckland Council's Development Contribution policy**. Under the proposed plan greenhouse developers were unexpectedly charged massive development contributions based on the size of the structures. For example, a five hectare glasshouse received a development contribution levy of \$450,000. With covered crops product groups, HortNZ negotiated new, reasonable development contributions to satisfy both the Council and industry.

We are making the public aware of the importance of protecting key food growing areas.

**Growing houses on irreplaceable horticulture land, cover story in *New Zealand Herald's* The Business**

**Zoning wins in Whangarei and Tasman**



# Access to water

- As the **debate about water rights** heats up, Horticulture New Zealand is advocating for horticulture, including for the necessity to store water and have access to it for irrigation.
- We represent horticulture on the **Land and Water Forum**, which has been directed by Environment Minister David Parker and Agriculture Minister Damien O'Connor to reconvene to give Ministers advice.
- We negotiated amendments to the **National Policy Statement for Freshwater Management** – a crucial piece of policy that directs how the water our growers use is prioritised under the Resource Management Act.

## How we achieved this

We have **raised awareness of the importance of "survival" water for crops** in times of low water flows and droughts and increasingly, councils are providing for survival water for both capital root stock and perennial crops. Examples include the Plan Change for the Tukituki River, Tasman District plan changes, Auckland Unitary Plan, Gisborne and Bay of Plenty.

We have provided technical support and advice to the Gisborne grower community to help establish **New Zealand's first pilot for Managed Aquifer Recharge** in Gisborne. Consent has been successfully trialled and there are hopes the recharge project may provide a solution to drastic water reductions in Gisborne due to declining aquifer levels. If successful, there may be an economic opportunity to develop another 2-3,000 hectares of irrigated land on the Poverty Bay flats.

We cannot grow New Zealand's food without water.

**We have raised awareness of the importance of "survival" water for crops and supported a pilot for Managed Aquifer Recharge in Gisborne**

# Access to people

- With the product groups, we manage the annual cap process for the Recognised Seasonal Employer (RSE) scheme to **ensure access to seasonal labour**.
- We foster young people through the **Young Grower of the Year** competitions and run the national competition.
- We build the industry's leadership capabilities with our **leadership programmes**.
- We work in high needs regions, such as Gisborne and Northland, to **get more people working in horticulture**.

## How we achieved this

This year, together we achieved an **additional 600 places on the RSE scheme**. The national cap is now 11,100, up from 10,500.

We have developed a **seasonal fixed-term contract for growers** to use and uptake of this has been wide across New Zealand.

We have published a very popular **guide to accommodation standards** for seasonal labour.

About **30 young growers compete each year**, generating about 100 news stories.

Our **leadership programme has over 200 graduates**, with 100 percent saying the programme contributed to them being a better leader or manager.

Between 2013 and 2018 **we have awarded about 130 scholarships** with a value over \$200,000.

Working with the Horticulture Capability Group and other partners we have been involved in up to 28 promotional events a year, covered 10 regions, 111 schools and **engaged with more than 900 students**.

Horticulture New Zealand, through **veges.co.nz**, is a partner in the Plant Soil Food Society Nutrient Management Project – which **has horticulture in the school curriculum** as part of the on-line digital resources for Years 5-8 science, covering the role of nutrients in food production.

We help manage access to seasonal workers, promote leadership, and encourage young growers.

**400+**  
growers are brought together at the annual horticulture conference

**600** extra places on the RSE scheme

**200**  
graduates from the leadership programme



We arrange the annual RSE employer conference, bringing together employers, the government and representatives from the Pacific Islands

Mike Chapman | CEO Horticulture New Zealand

# Telling our story

- We have started telling our story with a public focus, to **engage people in the provenance of their food.**
- The story that resonates with people is of family businesses, many intergenerational, who **produce healthy food and care about the environment.**
- The story that resonates with stakeholders (government, investors, business) is one of growth – the rising star tapped into the growing consumer desire for a plant-based diet/healthy fresh food; **New Zealand as a producer of sustainable, environmentally-friendly, healthy food.**
- **We have a health story to tell**, in a country that has high rates of heart disease, obesity and diabetes. We connect with 5+ a day on this.
- Our people story is aimed at encouraging people to get into horticulture as a **great career path** with plenty of opportunities.
- Our **media coverage has increased rapidly in the past year**, particularly in mainstream media – in the 2017 year our coverage increased 65.4 percent over the 2016 year. We have changed the look of Horticulture New Zealand’s external communications, such as the Annual Report and corporate brochure, to reflect a wider audience and focus on food. This means the documents can be used more widely to deliver value for money.
- Horticulture New Zealand produces **two grower magazines**, *NZ Grower* and *The Orchardist* to keep growers informed about all aspects of the industry.

## How we achieved this

We only use Facebook for “campaigns” and ran one around **Country of Origin Labelling.**

We use social media platforms **Twitter, LinkedIn and Instagram** to spread our story.

We produced a “positioning” video “mini-documentary” to **start telling the horticulture story.** This was launched at the Horticulture Conference in July 2017 and has had more than 1,900 views and is being used to promote New Zealand horticulture off-shore.

We have started telling our story with a focus on food.

The public is interested in our story of family businesses, many intergenerational, who produce healthy food and care about the environment



**65.4%**

2017 media coverage increase on 2016





## CASE STUDY

### Mandatory Country of Origin Labelling (CoOL)

Growers have for years told Horticulture New Zealand they want mandatory Country of Origin Labelling (CoOL). There has been pushback from other food producers and manufacturers who believe such a regime will be complex and costly. Government has also been against the idea with perceived sensitivities around trade.

In 2017, HortNZ spent \$7705 (excl. GST) on independent consumer research to establish an evidence-based case for mandatory CoOL. A further \$38,000 (excl. GST) was spent on a Facebook social media campaign. There was a PR, media and Government relations strategy (in-house costs) to get mandatory Country of Origin Labelling into law. The research and the Facebook campaign clearly showed that New Zealanders want to know where their fruit and vegetables come from, and their preference is to buy New Zealand grown.

The Facebook campaign was launched in April 2017 and ran through to the general election in September 2017. It generated 5,623 likes and 5,640 followers. For the six month period, it reached nearly 1.15 million people, with nearly 27,000 engaging with content. There were more than 16,500 positive feedback reactions to posts, compared to only 216 negative feedback reactions.

The Facebook page led to more than 9,100 views of the website <http://coolnz.org.nz/>. There was confirmed delivery of 1,594 emails to MPs asking them to support CoOL – generated by individuals via the page.

This was coupled with political advocacy across all parties, including written and oral submissions to Parliament and appearing before the Primary Production Select Committee.

The outcome was: the Green Party's Consumers' Right to Know (Country of Origin of Food) Bill passed its first reading on 13 April 2017, paving the way for this to become law. The Bill has been through Select Committee and the new Government will now decide how it progresses.

Facebook campaign reached

**1.15 million**

and generated

**1,594**

emails to MPs

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**Bill passed its first reading on 13 April 2017**

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The research and the Facebook campaign clearly showed that

**New Zealanders want to know where their fruit and vegetables come from, and their preference is to buy New Zealand grown**

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