

SUBMISSION ON

Proposed updates to recover costs for MPI's new Trade Certification system

5 December 2025

To: Cost Recovery Team, Ministry for Primary Industries

Name of Submitter: Horticulture New Zealand

Supported by: Potatoes NZ, Summerfruit NZ, Tomatoes NZ.

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OVERVIEW

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Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry for Primary Industries for the opportunity to submit on the Trade Certification Cost Recovery proposals.

HortNZ's Role

Background to HortNZ

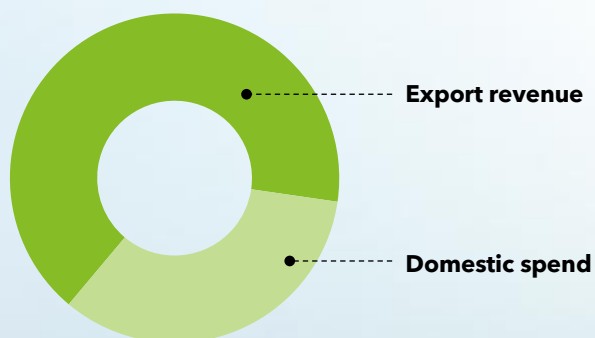
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value \$7.54bn

Farmgate value \$4.89bn

Export revenue \$4.99bn

Domestic spend \$2.55bn

Source: HortNZ Annual Report 2025

Executive Summary

The Ministry for Primary Industries is consulting on proposals for cost recovery for the new integrated trade certification system. The proposed options cover the rates that would be required to recover costs for MPI trade certification from 1 July 2026.

HortNZ supports the investment in systems to support our exporters. However, HortNZ notes that minimal information has been provided regarding the entire cost of the system, including quotes, costings, and steps taken to minimise costs.

HortNZ supports Option 2, a flat fee. This is because a flat fee is simple to understand and apply. It best aligns with cost recovery principles of transparency, justifiability, efficiency, and equity. It also allocates costs based on the likely use of the system.

Submission

1. Options for cost recovery proposals

HortNZ supports the investment in systems to support our exporters. Certification services working efficiently and effectively are essential for our exporters. However, HortNZ notes that minimal information has been provided regarding the entire cost of the system, including quotes, costings, and steps taken to minimise costs of the new system. In addition, the fee itself is proposed to rise, although the new system itself is supposed to reduce duplication and over time develop efficiencies in certification.

The two options being consulted on are:

- Option 1: sector specific allocation
- Option 2: flat fee

HortNZ supports Option 2, a flat fee, with a yearly change as indicated in the discussion document. This is because a flat fee is simple to understand and apply. In line with analysis, it also best aligns with cost recovery principles of transparency, justifiability, efficiency, and equity. It also allocates costs based on the likely use of the system.

2. Other comment

2.1. Concurrent consultations relating to phytosanitary cost recovery

This is one of two proposals on phytosanitary cost recovery that have been consulted on by MPI at around the same time (the other being *Proposed updates to MPI's cost recovery for plant and forestry export certification*).¹

Whilst MPI is trying to ensure alignment, instead this resulted in exporters having to consider and understand two separate cost recovery proposals and the resulting impact on businesses, in a short amount of time. Consideration could have been given to combining these in some way.

The implementation date of 1 July 2026 seems reasonable for an increased fee for trade certification to come into place. This long lead in time is in contrast to the changes proposed in the Phytosanitary Certification discussion document proposals, with one of the options being a 1 December 2025 implementation date.

¹ This had a closing date of 21 November 2025.

2.2. Growers face increased fees and charges across many areas of government

There is a cumulative impact of costs being added onto growers by central government. Some current examples for our growers include the Food Act levy, ACC levies, business registration and freshwater farm plans, and now proposed increased costs to phytosanitary fees in quick succession.

Whilst acknowledging the importance of services being provided by government agencies, this cumulative impact should be taken into account when fees are set, as detailed in Section 3.4 of the Treasury guidelines where questions to be asked include 'what is the cumulative impact of government cost recovery charges? i.e. there should be a consideration of the impact of the range of charges that affect those who pay, not just a narrow focus on the impact of a particular cost recovery regime'.

HortNZ considers there should be greater acknowledgement by central government agencies that costs can be cumulative; and should not be viewed in isolation by each agency, or even different teams within agencies.

2.3. Phytosanitary certification fees should form part of MPI annual cost recovery reviews

As noted in our submission on *Proposed updates to MPI's cost recovery for plant and forestry export certification*,² we recommend that phytosanitary certification fees should form part of the annual cost recovery review undertaken each year by MPI across animal products, animal welfare, biosecurity and food, (and now presumably electronic trade certification fees); as HortNZ understands reviews of phytosanitary certification fees are not currently part of the annual review process.

Having the plant sector brought into the regular cost recovery reviews undertaken by MPI would have give greater confidence that the fees were set in accordance with legislated cost recovery policies and principles, similar to other sectors; i.e. this will ensure all future phytosanitary certification fees are assessed against the guiding principles of cost recovery (equity, efficiency, justifiability, transparency) as has been done in the case of Trade Certification cost recovery proposals.

² [251121-Submission-MPI-Phytosanitary-Cost-Recovery-Horticulture-NZ-for-website.pdf](#)