

# SUBMISSION ON

## Annual Review 2026: Proposed changes to MPI's cost recovery settings

23 January 2026

**To:** Cost Recovery Team, Ministry for Primary Industries

**Name of Submitter:** Horticulture New Zealand

**Supported by:** New Zealand Apples and Pears; Strawberries  
New Zealand; New Zealand Tamarillo Growers Association,  
Pukekohe Vegetables Growers Association, Persimmon Industry  
Council

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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 Annual Review 2026: Proposed changes to MPI's cost recovery settings. The focus of our submission is on the proposal to cost recover for renewals of trade name product registrations under the Agricultural Compounds and Veterinary Medicines Act 1997.

# HortNZ's Role

## Background to HortNZ

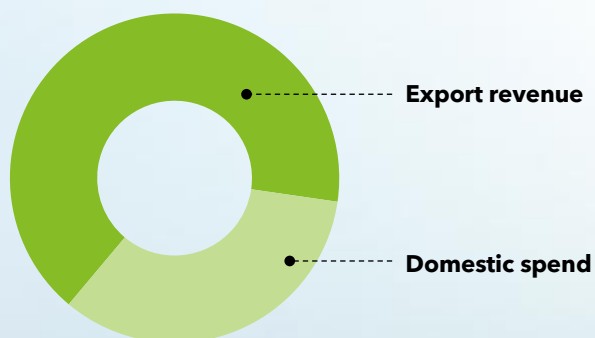
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

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

HortNZ agrees with cost recovery where it is line with the cost recovery principles of transparency, justifiability, efficiency, and equity and notes the fee under Option 2 for trade name product registrations formalises the current cost recovery practice already in place.

HortNZ considers there should be more clarity with how cost recovered funds are spent, potentially as part of annual reporting to sectors. This would be part of ensuring accountability and transparency for services; as well as measurable KPIs for outputs for any increases in fees. There is a current lack of transparency about how existing funding delivers outcomes.

In addition, HortNZ considers clarity is also needed on other upcoming potential legislative amendments under the upcoming Agricultural and Horticultural Products Regulatory Review Omnibus Bill, and how this will impact on wider processes for registrations and renewals for agricultural compounds.

# Submission

## 1. Comments

### 1.1. The industry needs access to crop protection products

New Zealand's growers have been facing a problem of dwindling crop protection products for many years due to older products being phased out, newer products not becoming available, and increasing issues with pests, diseases and weeds developing resistance to remaining products. Due to a lack of new products coming onto the New Zealand market, growers are being repeatedly disarmed in their fight to control pests, diseases and weeds.

HortNZ notes that the Regulatory Systems (Primary Industries) Amendment Bill will put in place a legal mechanism for renewal of trade name product registrations, different from the current practice of issuing renewals as a variation. This then allows for specific cost recovery charges under the ACVM (Fees, Charges and Levies) Regulations 2015.

Whilst this makes regulatory sense to make the pathway transparent, we do not want any further barriers being put in the way of those who register the products our growers need, including any cost barriers, as referenced in previous HortNZ submissions.<sup>1</sup> There is also a risk it may dissuade registrants from renewing products, therefore constraining the practice of 'off-label' use by minor product groups, which many of them rely on.

In addition, consideration could be given to registering products without any expiry date at all in some circumstances, so taking away the need for renewals. This presents an opportunity for reducing cost and administrative burden whilst still allowing oversight and access to products; and could be considered via work currently being undertaken on the Agricultural and Horticultural Products Regulatory Review Omnibus Bill.

The economic viability of registering crop protection products is marginal for manufacturing companies. This is why it is important to adhere to cost recovery principles and have regulatory oversight that is proportional to risk. We welcome other changes in train by ACVM to improve process and reduce costs, such as self-assessable changes.

### 1.2. All cost recovery proposals must be justified

HortNZ agrees with recovering costs for all reasonable fees, as long as they are assessed against cost recovery principles of transparency, justifiability, efficiency, and equity. We note the proposed fee under Option 2 is based on current work patterns and formalises current practice.

However, we do query if some services should be subject to cost recovery. For example, 'uploading application to MPI's filing system' or 'invoicing' – we argue good file management systems is part of being a good regulator and should not be cost recovered; and invoicing itself should be largely automated. These should be part of overhead costs.

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<sup>1</sup> [2403012 FINAL MPI ACVM proposed changes to levy and fees HortNZ submission.pdf](#)

### **1.3. Agencies should report on how cost recovered funds are spent, including measurable KPIs**

Additional to the proposals, we consider there should be transparency with how cost recovered funds are spent. This is to maintain transparency and accountability for those paying for services.

HortNZ considers that agencies should provide annual reporting to sectors that are subject to significant cost recovery, and this reporting should cover both funds received and spent. HortNZ would like MPI to commit to providing regular published cost recovery data of fees and charges, including for the ACVM Directorate. This should be in the form of what is provided for other sectors such as dairy, red meat, wine and imported food.

In addition, this should be linked to measurable KPIs i.e. regular reporting should occur against service standards agreed between MPI and those paying for the services. There is a current lack of transparency about how existing funding delivers outcomes, when our growers need certainty in supply of new crop protection products - it is paramount that the ACVM registration process is as efficient and effective as possible.