



Horticulture™
New Zealand
Ahumāra Kai Aotearoa

Growing Together Levy Proposal

Information for growers about the renewal of the
Commodity Levies (Vegetables and Fruit) Order.



Growers are being asked to vote on the renewal of the Commodity Levies (Vegetables and Fruit) Order between May-June 2024.

Summary of the levy proposal

2025-2031 focus areas of activity as per this proposal.

To remain at the maximum levy rate of 15 cents per \$100 of sales.

The levy continues to be paid by commercial growers on the domestic or export sale of New Zealand grown fruit and vegetables.



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Make your voice heard

Running a horticulture business in New Zealand is enough to keep anyone fully occupied. It's often a 24/7 job, requiring a myriad of decisions, large and small.

We're asking you to take a moment from your busy schedule to make one important decision that affects the whole industry. That's the decision to vote in the referendum on the commodity levy that funds Horticulture New Zealand to work on your behalf.

Many thanks to those who have met with us over the last two months as we sought your feedback as to what our focus going forward needs to be.

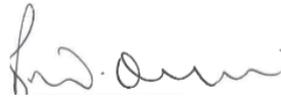
The Aotearoa Horticulture Action Plan, supported by Horticulture New Zealand, has laid a great foundation for the sector. In the coming years, we're focused on supporting the industry to achieve the five key outcome areas, with a priority focus on water allocation and storage, climate change and adaptation, food security and social licence to operate.

In this document, we put the case for continuing the levy - outlining what you've got for your investment to date, and what we will prioritise over the next six years.

We encourage you to fill in and return your voting papers, or vote online, because the future of the horticulture industry depends on it.

Without the levy, Horticulture New Zealand will be wound up and there'll be no strong voice in our sector.

So please take a moment to vote.



Barry O'Neil

President

Horticulture New Zealand



Levy at a glance

● 2005	Horticulture New Zealand formed out of the merger of the New Zealand Vegetable and Potato Growers' Federation (Vegfed) and the New Zealand Fruitgrowers Federation (NZFF)
● 2018	89.56% of growers by numbers and 92.01% by value voted in support of a levy rate of 15 cents per \$100 of sales for six years
● Early 2024	Levy consultation grower meetings Face-to-face, one-on-one and online
● Early-mid May	Online grower meetings to present levy proposal Voting packs sent to growers by email or post
● 14 May-14 June 2024	Vote on proposal to continue levy at current rate (as set out in this levy proposal)
● 2025-2031	A renewed levy would apply for six years, from the expiry of the current levy order in March 2025



What you've told us

In the lead-up to the levy vote, we have been out talking to growers, asking what you think of how we've used levy funding on your behalf, and what you would like to see in future.

It was great to get out to hear directly from the engine room of our industry during the consultation meetings earlier this year.

I really appreciated those of you who gave up your time in a busy growing period to come and discuss how you and your businesses are doing and how Horticulture New Zealand can best support you.

I'm pleased to report that the consultation period has confirmed we are well aligned with what growers are seeking from Horticulture New Zealand. A strong focus on all things enabling the production of fruit and vegetables.

Therefore, our policy priorities of water, climate change and adaptation, and food security and supply are on point, whilst not forgetting the importance of labour and capability development.

There were valuable discussions in most regions on the regulation of genetic engineering and modification,

and upcoming Government reforms and how that dovetails into our ongoing loss of tools to manage increasing pest and disease issues.

We strongly heard the message to avoid duplication across different product groups and focus more on the value of a united voice for all of horticulture. We all work very closely and collaboratively in many areas and will continue to be focused on this. Horticulture New Zealand will continue to look into more ways of working together to ensure growers get the best return on their levy investments.

Potential changes to New Zealand's genetically modified organism (GMO) regulations, as signalled by the Government, will be closely monitored by our specialist staff. Horticulture New Zealand will continue to talk with growers about the pros and cons of any proposed changes. We will, as always, advocate for regulations that enable growers to compete internationally while maintaining New Zealand's strong reputation.

This is just one of many areas where the Government is signalling change. A big focus for Horticulture New Zealand is to be able to react quickly to new proposals, keeping you informed and advocating in your interests.



We also have to be ready to react when weather or other natural disasters strike, because supporting growers is central to our role.

The team at Horticulture New Zealand is always conscious that we are working for you, using your hard-earned money. I hope to see an endorsement of our work on your behalf in the commodity levy order vote.

Without a majority 'yes' vote, Horticulture New Zealand will be wound up as an organisation.

By voting 'yes' you are supporting Horticulture New Zealand to help you.

I'm aware how busy you all are, so thank you for taking the time to read this document and participating in the grower meetings and the referendum.

Nadine Tunley
Chief Executive
Horticulture New Zealand



About Horticulture New Zealand

OUR VISION

Healthy food for all forever
Orangi kai, oranga tangata, haere ake nei

OUR PURPOSE

Creating an enduring environment where growers thrive

Horticulture New Zealand is dedicated to helping growers thrive.

Horticulture New Zealand is funded from the commodity levy to work on behalf of New Zealand's 4,200+ commercial fruit and vegetable growers, no matter the size of business, type of growing system, or product.

Under legislation, Horticulture New Zealand can use levy funding for:

- Research and development
- Market and trade research, development and promotion
- Industry promotion
- Development and implementation of quality assurance
- Education and training, including attracting people to the industry and developing and retaining them

- Information and communication including advocating for and representing growers
- Protection and improvement of the health of plants, including biosecurity activities
- Day-to-day administration of Horticulture New Zealand including central grower registration systems.

The levy cannot be spent on any trading or commercial activity.

Horticulture New Zealand has 20 affiliated product groups and more than 24 affiliated local and regional grower associations. Horticulture New Zealand is an incorporated society, governed by a nine-person Board, with staff based in Wellington and regionally.

How Horticulture New Zealand works

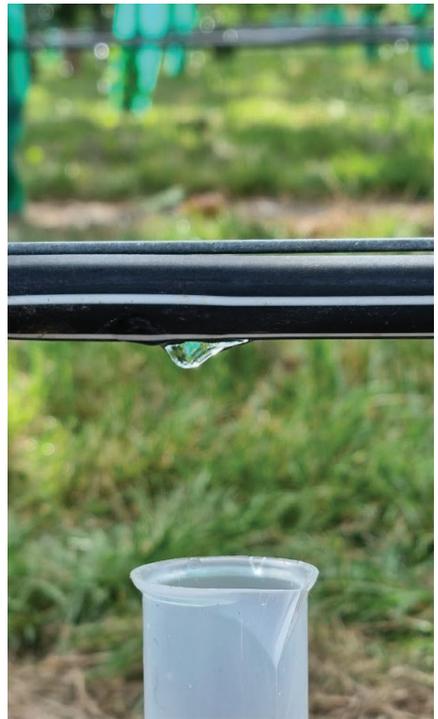
Horticulture New Zealand works to help you to make more informed decisions for your business, provides you with certainty to invest, gives you tools, resources and services to lift your productivity and profitability, and ensure your voice is heard at all levels.

We work to deliver in five areas within our sphere of control:

- Shaping sector strategy
- Proactively influencing policy
- Telling the horticulture story
- Translating sector-wide change
- Facilitating grower connections

Across these five areas, Horticulture New Zealand is focused on three top policy priorities:

- Water allocation and storage
- Climate change and adaptation
- Food security and supply





Water allocation and storage

Water is a critical resource for growing. Growers need certainty over water supply if they are to invest and increase production. We are advocating for policy settings that support expansion of and investment in water storage.



Climate change and adaptation

Horticulture New Zealand is supporting growers to recover from weather disasters and plan for a warming climate, while also reducing the sector's contribution to global warming. We continue to work to influence central and local government policy and infrastructure planning and plan for our industry to adapt.



Food security and supply

Across the globe and in New Zealand, the notion of food security has become increasingly important and in New Zealand there is a direct correlation with access to fruit and vegetables. We are advocating for policy and regulatory settings that enable growers to provide a reliable and resilient supply of fruit and vegetables and contribute positively to New Zealand's food security. We are working on growers' behalf to find more efficient ways of doing things and to share best practice to reduce costs of production. And we are focused on boosting horticulture's social licence to operate.

What your levy has delivered

A notable achievement on behalf of growers has been Horticulture New Zealand's role in overseeing the delivery of the *Aotearoa Horticulture Action Plan* and initial implementation. This plan is a first, as it was a joint effort between industry, Māori, science research providers and government to set a direction that benefits the horticulture industry and New Zealand.

Work began in late 2020 and the plan was launched in 2023. The plan reinforces the value of programmes Horticulture New Zealand was already working on as well as supporting future planning.

Highlights of Horticulture New Zealand's work advocating for growers in recent years includes:

Grow sustainably

- Equipping growers with knowledge and tools through extension and training programmes.
- Leading the Cyclone Gabrielle recovery in 2023.
- Achieving safeguards for highly productive land through the National Policy Statement for Highly Productive Land (NPS-HPL).
- Submitting on key policy developments including RMA reform and emissions reduction and trading.
- Representing growers' interests in regional planning processes for freshwater, including mediations and environment court hearings.

- Contributing to the Pukekohe Integrated Catchment Management Plan (ICMP) as part of a working group with iwi, and central and local government.

Optimise value

- During the various COVID-19 lockdowns, Horticulture New Zealand advocated for growers to continue to harvest crops and supply domestic and export markets.
- Ongoing advocacy to promote the New Zealand growing story, domestically for social licence to operate, and with groups such as New Zealand Story internationally, to promote the uniqueness of New Zealand produce.
- Advocacy for reducing regulatory costs and constraints on growers, such as maximising use of existing industry assurance schemes.
- Keeping pressure on supermarkets and the grocery sector to ensure fair trade practices and a fit for purpose Code of Conduct.

Māori are strong in horticulture

- Acknowledging and supporting the key role of Māori in the future of horticulture and increasing understanding of how Horticulture New Zealand can support iwi and hapū to achieve their aspirations.



- Strengthening relationships with iwi and hapū in our regions where horticulture is strong.
- Recognising excellence in Māori horticulture through sponsorship of the Ahuwhenua Trophy and Ahuwhenua Young Māori Grower, the most prestigious awards for Māori agriculture.
- Sitting on the Nga Pouwhiro Taimatua and the Māori Science Accelerator committees to better support potential opportunities for Māori in horticulture.
- Co-funding (with Agmardt) the Taiao Ora Tangata Ora capability project to design a pilot training programme for tangata whenua to become Taiao Agribusiness specialists and practitioners on farm and in market.

Underpinned by science and knowledge

- A Lighter Touch, a programme to support growers to move to producing plant-based foods with a lighter environmental touch.
- Growing Change, a partnership between Horticulture New Zealand and the Ministry for the Environment that is building capacity and capability within the horticulture sector to deliver Good Agricultural Practice Freshwater Farm Plans.

- Supporting the Sustainable Vegetables Systems (SVS) project, which aims to understand the nutrient flows in vegetable crop systems and use these insights to create nutrient management decision tools.

Nurture people

- Ongoing advocacy on policy around RSE workers to support our ability to harvest and strengthen our relationships with the nine Pacific RSE countries and communities.
- Successfully advocated for quarantine-free travel for RSE workers during COVID-19.
- Showcasing the best of our industry through Young Grower of the Year and Horticulture Industry Awards.
- The Horticulture New Zealand leadership programme and scholarships to promote horticulture as a career.
- Working with ACC on funding the Grow Home Safe project to reduce harm and enable people to thrive throughout the horticulture industry.
- Ongoing advocacy for removing current legislative barriers to businesses employing and rewarding people, for example, Fair Pay Agreements.
- Supporting growers to be good employers, with high standards in practices, health and safety, careers and conditions.

What's ahead - the next six years

Horticulture New Zealand will continue to support the implementation of the Aotearoa Horticulture Action Plan. Within this broad programme of work, we will focus on our three priority areas - water allocation and storage, climate change and adaptation and food security and supply. For more information on these priority areas see page 8.

Growing Together 2035: Aotearoa Horticulture Action Plan

Goal

Doubling the farmgate value of horticultural production by 2035 in a way that improves prosperity for our people and protects our environment.

Five key outcome areas

	Grow sustainably	Improving sustainability and adapting to and mitigating climate change.
	Optimise value	Domestic and export market and consumer needs are understood, data is well utilised, and the value chain is optimised for demand.
	Māori are strong in horticulture	Māori participation in high-value horticulture triples by 2035.
	Underpinned by science and knowledge	A strong research and development programme and consideration of Mātauranga Māori enables, accelerates and supports horticulture.
	Nurture people	Horticulture attracts, retains and grows great people.

About the commodity levy referendum

Every six years, growers are asked to vote on the Commodity Levies (Vegetables and Fruit) Order; that is, whether you want to continue paying the levy that funds the work that Horticulture New Zealand does on your behalf.

The current Horticulture New Zealand Commodity Levies (Vegetables and Fruit) Order expires on 31 March 2025.

Voting on the levy for the next six years will be open from Tuesday, 14 May (midnight) to Friday, 14 June (midday).

The law (Commodities Levies Act 1990) requires a levy to be supported by more than half of participants in the referendum representing more than half the value of total production.

This means that when you vote you will be asked to state your value of production in the past 12 months. This information will only be used for the purposes of calculating the production represented by votes and not for any other purpose.

If there is majority support, then Horticulture New Zealand will apply to the Ministry for Primary Industries (MPI) for a new levy order to take effect from 1 April 2025.



If there is not majority support, then Horticulture New Zealand will lose most of its funding and would be wound up.

The vote will be conducted by ElectionNZ, an independent specialist voting agency. You will be able to vote by post or online.

Your voting papers will be emailed to you or will be sent by post.



The levy proposal

Horticulture New Zealand's current Commodity Levies (Vegetables and Fruit) Order sets a maximum levy rate of 15 cents per \$100 of sales.

Horticulture New Zealand proposes to retain the levy rate at the same level for the next six years.

The levy is linked to the value of production, so the amount collected varies as prices or production levels change. In the last financial year (to 31 March 2024), Horticulture New Zealand received around \$5.7 million* in levies.

Horticulture New Zealand considers funding from this rate of levy is sufficient to continue to deliver its work programme on behalf of growers.

If growers want Horticulture New Zealand to expand its activities or take on additional projects, this will only be possible up to the maximum levy rate. Growers would have to vote for a levy change (up to the maximum) at an AGM or Special General Meeting (SGM).

Under no circumstances can the levy rate be increased above the maximum until the new Order expires in 2031.

*at time of print.



Frequently Asked Questions

The process

What is a levy referendum?

Horticulture New Zealand's existing Commodity Levy Order expires in March 2025. The levy is our principal funding mechanism to support our work for growers. The process for establishing a levy is governed by the Commodity Levies Act 1990 and requires the organisation to hold a referendum of levy payers every six years.

What level of support is required?

A majority of growers voting positively measured both on:

- A 'one grower, one vote' basis, and
- A value of production weighted basis.

A positive result is required for Horticulture New Zealand to proceed to the next step of applying to the Minister of Agriculture to put the levy in place.

Who can vote in the Horticulture New Zealand levy referendum?

The Commodity Levies Act 1990 stipulates that levy payers (growers) will vote in the referendum. Each grower or 'legal entity' will be entitled to vote. If you operate more than one orchard or farm, you are only entitled to more than one vote if those orchards/farms operate as separate legal entities (companies, partnerships, trusts etc.).

What if one of my entities did not receive this information?

Please call us and we will ensure that each legal entity liable to pay the levy is added to our database. Horticulture New Zealand's freephone number is 0508 467 869.

How do I ensure I get a vote?

If Horticulture New Zealand has sent you this brochure, it is because you are recorded in our database as a grower who is required to pay the levy and therefore you will receive a voting paper. If this is not correct, please call us on 0508 467 869 or email info@hortnz.co.nz.



What if I have leased my orchard/farm?

If a property is leased, it is the party that owns the crop that will pay the levy and therefore hold the vote in the referendum.

What voter turnout is Horticulture New Zealand expecting?

We know it is a busy time for growers, however we are strongly encouraging every grower to cast their vote. In previous Horticulture New Zealand votes, turnout has been relatively low. Horticulture New Zealand wants a solid mandate on which to continue to advocate for growers.

What happens if there is a no vote?

A vote against continuing to invest in Horticulture New Zealand will result in the organisation being wound-up. It would mean there would be no advocacy body solely dedicated to working on behalf of all growers in New Zealand. The sector will lose capability and relationships, and programmes such as A Lighter Touch and Growing Change will end. It will be extremely difficult to re-establish a pan sector entity in the future.

The proposal

What is the levy proposal?

To remain at the maximum levy rate of 15 cents per \$100 of sales (2025-2031).

How is it calculated?

The levy payable in a levy year must be calculated on the basis of the price received at the first point of sale, except where the commodity is exported, in which case the levy will be calculated on the price received by the grower after deduction of offshore costs or, the commodity is processed before the first point of sale, in which case the levy will be a percentage of the notional process value.



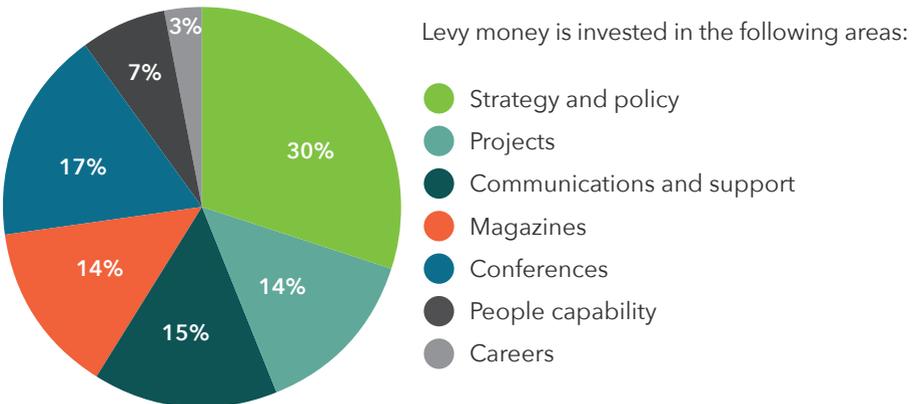
How will it be collected?

The levy will be collected in the same way as it is currently collected, by either the grower paying it directly or by the levy being deducted from payments made to growers by wholesalers, exporters and processors.

How will the levy be invested?

- Research and development
- Market and trade research, development, and promotion
- Industry promotion
- Development and implementation of quality assurance
- Education and training, including attracting people to the industry and developing and retaining them
- Information and communication, including advocating for and representing growers
- Protection and improvement of the health of plants, including biosecurity activities
- Day-to-day administration of Horticulture New Zealand including central grower registration systems.

What areas does Horticulture New Zealand invest levy money in?*



Note: Horticulture New Zealand leverages funding from other sources to maximise levy investments. Some areas are funded through co-funding. Co-funding includes government funding, sponsorship or advertising revenue.

*As at 31 March 2024





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Stronger by working together