

VEGETABLES NEW ZEALAND

Commodity Levy Proposal 2024



At a glance

Our vision is to create a thriving, resilient vegetable growing industry.

Challenges

The challenges that fresh vegetable growers face have dramatically increased since the last levy vote in 2018.

You have had to find ways to manage and adapt to Covid-19, labour shortages, poor growing seasons and adverse weather events, ongoing cost increases and falling returns, and increased bureaucracy.

In response, Vegetables NZ has focused on providing you with practical advice through research and extension on growing practices and energy efficiency. At the same time, we have improved our ability to get alongside you, to accurately reflect your needs and views in Wellington. In a crisis, we have acted as a bridge between you and the government, and found ways to provide practical help.

Over these challenging times, you have demonstrated pride and commitment, and remarkable resilience. Vegetables NZ is similarly proud and committed to improving the environment in which your businesses operate, so that our industry can thrive again, and offer fresh, healthy vegetables to New Zealanders at reasonable prices.

What we need

Your support will enable us to enhance our work to help growers to thrive and expand, and supply fresh, healthy vegetables at reasonable prices to New Zealand and international markets.

Over the past three years, Vegetables NZ has tripled its ability to support growers to remain resilient and be ready for a brighter future, where vegetable growing is once again prosperous. We need your support to be able to continue this work and have the impact you need us to have.

We do this by:

- Enabling growers to have a united voice with the government and public sector
- Using grower levies to fund research projects to enhance vegetable production
- Hosting grower workshops to help growers understand compliance and best practice
- Conducting energy audits and creating energy plans to reduce use and emissions
- Providing up-to-date online tools, resources and management guides
- Providing access to research and innovation to help growers future-proof their growing businesses
- Helping growers navigate challenges, build resilience and understand government regulation
- Ensuring that fresh, healthy New Zealand-grown vegetables are sought after by consumers and food service sectors in New Zealand and worldwide.



The levy voting process

Fresh vegetable growers will need to cast at least two votes. One for Vegetables NZ and one for Horticulture New Zealand.

The current fresh vegetables Commodity Levy expires in early 2025. You will be sent voting forms in May 2024 and be asked to vote whether you are for or against the proposed fresh vegetables Commodity Levy.

Vegetables NZ supports the wider policy, advocacy and extension work that HortNZ undertakes. We strive to ensure that the two organisations' workstreams are complementary.

Providing feedback

We would appreciate your feedback on this proposal. You can do this by contacting Vegetables NZ Chair, John Murphy on 027 458 4670 or Vegetables NZ Chief Executive, Antony Heywood on 021 998 038. Alternatively, you can email info@freshvegetables.co.nz or attend one of the workshops that are taking place around the country. You can find out more about these workshops on the Vegetables NZ website: <https://www.freshvegetables.co.nz/commodity-levy/when-we-are-visiting-your-region/>

What's proposed?

Vegetables NZ proposes **no change** to the current **Commodity Levy of 0.30%**



30c
PER \$100

at first point of sale for **domestic** sales



20c
PER \$100

for **export** sales



ONE GROWER
ONE VOTE

+



VALUE OF
PRODUCTION

×



PRECEDING
12 MONTHS

)

= 51%+

SUCCESSFUL
REFERENDUM

The vote will be carried out on both a 'one grower one vote' and a 'value of production' weighted basis. Growers will be asked to state their value of production in the preceding 12 months for the crop being voted on.

For the referendum to be successful, Vegetables NZ must receive a minimum 'yes' vote:

by 51% of the total number of fresh vegetable growers AND by growers of 51% of the total value of fresh vegetable crop produced during the preceding 12 months.

That is, 30 cents per \$100 at the first point of sale for domestic sales; and 20 cents per \$100 for export sales, for those fresh vegetable crops stated in the Commodity Levy Order crop list.

If the levy order is supported by growers, Vegetables NZ will apply to the Minister of Agriculture for a new Commodity Levy Order. If growers do not support the levy order, Vegetables NZ will have no secure funding beyond March 2025 and will need to reconsider its position.



Looking back

Research, development and extension

Vegetables NZ has invested more than \$3 million over the past six years on research, development and extension activities.

We are the largest vegetable sector contributor to Sustainable Vegetable Systems (SVS), besides Potatoes NZ. SVS has developed a vegetable crop specific tool to help growers optimise their nitrogen usage. This tool looks at vegetable production as a system. It considers nitrogen levels in the paddock, nitrogen release from the soil over time, and the influence of the previous crop to indicate how much nitrogen needs to be applied to grow the current crop.

Vegetables NZ also provides Vegetable Research and Innovation (VR&I) with more than 60% of its funding. Over the past six years, VR&I has completed several projects, including 'Future proofing vegetable production', which looked at new practices and tools especially around fertiliser use. VR&I has been involved with the creation of several resources such as:

- guidelines around off label use of agrichemicals
- biosecurity guidelines for both field and covered crops
- general guidelines on integrated pest management and nutrient management.

Vegetables NZ funded the first grower pilot for the New Zealand Good Agricultural Practice (NZGAP) Environmental Management System (EMS) add-on in Levin in 2019. This financial support, our subsequent funding of EMS workshops in

Dargaville, Pukekohe, Gisborne and Nelson, and our development with HortNZ of the position of the vegetable industry's first sustainability manager is to ensure vegetable growing has a consent pathway in regional plans.

More recently, Vegetables NZ has employed a research, development and extension manager to deliver practical extension programmes, working with other research and development providers. Vegetables NZ, in partnership with the Energy Efficiency and Conservation Authority (EECA), has also employed an energy engineer who is working with covered crop growers on energy efficiency and renewable energy projects.

In the aftermath of Cyclone Gabrielle, Vegetables NZ provided initial funding for coordinators in Northland and the Hawke's Bay. These coordinators helped to provide advice to growers and also collected data on the impact of the cyclone to inform the government's decisions on financial support.

Vegetables NZ has partnered with Western Growers and Callaghan Innovation to help the New Zealand industry with technology transfer. There have been reciprocal visits to the United States and New Zealand.

Similarly, Vegetables NZ is working with AUSVEG to apply lessons learned across the Tasman in New Zealand. This relationship will also help us anticipate trends in the international industry and improve grower resources.



Promotion and advocacy

Through the vehicle of vegetables.co.nz, Vegetables NZ is working with agencies such as 5+ A Day to promote vegetables and increase their consumption. Vegetables NZ is the major contributor to the Food Skills for Life programme, which provides teaching resources on vegetables for school children in Year 7 and Year 8.

Vegetables NZ has improved its ability to listen to and communicate with growers. This is so we are better informed and can advocate in Wellington with greater confidence, and so growers know more about what matters to them the most.

Vegetables NZ has also stepped up its engagement with politicians, government officials and the media. The goal of this activity is to improve the industry's social license so that central and local government policy helps growers to thrive and increase production, so New Zealanders have better access to fresh, healthy vegetables at reasonable prices.

In the lead-up to the 2023 General Election, Vegetables NZ developed a manifesto to spell out to the incoming government what the sector needed to be successful and provide New Zealand with food security around fresh vegetables. The manifesto focused on food security, inputs such as land and water, labour, managing environmental impacts, and innovation. In the weeks before the election, we engaged with political parties from all sides of Parliament. After the election, we are engaging with the new Ministers and officials. We will maintain a high level of engagement.

Biosecurity

Biosecurity is an ongoing area of focus. In recent years there have been several incursions into New Zealand including black-grass, viruses, and fall armyworm. Vegetables NZ, under the Government Industry Agreement (GIA) works alongside Biosecurity NZ and the wider industry to deal with these responses. Vegetables NZ then continues its work once the response has ended and the focus shifts onto long-term management.

With the Foundation for Arable Research (FAR) and Process Vegetables NZ, we are part of a new Sustainable Food and Fibre Futures (SFFF) Fund project to better understand fall armyworm, its life cycle under New Zealand conditions, and possible biological control agents in process and fresh sweetcorn and maize.



Our future focus

Making growing great again

Vegetables NZ will focus on ensuring growers can prosper and vegetable growing can expand in response to need and demand.

This will involve ensuring that New Zealand's national planning framework recognises the importance of vegetable growing for food security and health. This importance needs to be codified into a National Environmental Standard for Commercial Vegetable Production, which will ensure that vegetable growing is a permitted activity and there is a consent pathway for it. We will ensure that the NZGAP EMS add-on is the way that vegetable growers show regulators and consumers that they are meeting new environmental standards and requirements.

This move will support Vegetables NZ when it advocates for growers in Wellington.

We will expand our research, development and extension activities so that growers have the tools and techniques to respond to climate change, and new consumer and regulatory requirements.

We will develop new tools and practices to help growers manage key pest and disease issues as part of Integrated Pest Management (IPM). Through projects like A Lighter Touch, Vegetables NZ is looking to increase the development of new crop protection options whether they be synthetic chemical, biological or bio-stimulant, to solve issues faced by vegetable growers.

We will advocate for and support optimal nutrient use to ensure highly productive vegetable crops can continue to be grown, while minimising any nutrient loss from the system. This is being achieved under the Sustainable Vegetable Systems project, which Vegetables NZ will roll out to growers over the next three years.



Through our partnership with Horticulture Executive Services Ltd (HESL), we will ensure that growers' biosecurity needs are met as cost effectively as possible. As part of the wider horticulture industry, we will continue to play our role in ensuring the government continues to take biosecurity seriously and has the capability and capacity to respond to an incursion.

We will continue to work closely with HortNZ on workforce development, to ensure there is more of a focus on providing the skills and expertise that the vegetable industry needs for expansion, as new growing techniques and technologies come on stream in response to climate change and new regulatory requirements.

We will partner with groups such as 5+ A Day and supermarkets to increase the promotion of fresh, healthy vegetables to increase consumption and improve the health and wellbeing of New Zealanders.

We will improve our two-way communications with you so you know more about what is going on in our industry, and can have more of a say in its future. This will enable us to advocate more strongly and with greater confidence.

We will continue to promote vegetable growing in the media through a programme of media relations, so consumers know more about vegetable growing in New Zealand and want to support a thriving industry.



What Vegetables NZ stands for



INNOVATION
adaptive growing systems to build resilience



MANAGING OUR ENVIRONMENTAL IMPACT
trust in New Zealand Good Agricultural Practice (NZGAP) schemes to manage environmental effects



OUR LABOUR
a viable New Zealand labour force with a top-up of Recognised Seasonal Employer (RSE) workers for key times



OUR INPUTS
inputs that count – land, water and nutrients



FOOD SECURITY
access to healthy food at a reasonable price