

What now?

Vegetables NZ Inc. needs your feedback on the upcoming referendum and is seeking your support to ensure Vegetables New Zealand Inc. can continue to manage and promote fresh vegetable industry issues and pursue opportunities on behalf of fresh vegetable growers.

Fresh vegetable growers are facing ongoing economic and sector pressures. We hope the work and key focus Vegetables NZ Inc. has taken on your behalf as a grower has been beneficial to you and your business. Our role is to provide you with the support and assistance to eliminate or minimise those issues.

What levy rate are we proposing?

Vegetables NZ Inc. are proposing NO change to the current fresh vegetable Commodity Levy rate of 0.30% i.e. 30 cents per \$100 at first point of sale for Domestic sales, and 0.20% i.e. 20 cents per \$100 for export sales.

The sales value is measured at the first point of sale for domestic and export sales.

What other changes are proposed for the Levy Order?

Vegetables NZ Inc. are able to allocate Commodity Levy money to some Biosecurity activities until such time as a separate Biosecurity Levy is implemented. Providing mandate is received at the 2018 Annual General Meeting a separate Biosecurity Levy could be implemented late in 2018.

What happens if the new Levy Order is supported by growers?

If the votes by value and number of growers is positive in favour of the new Levy Order, Vegetables NZ Inc. will apply for a new Commodity Levy Order to the Minister of Agriculture.

What happens if the new Levy Order is not supported by growers?

If the number of positive votes by value and number of growers fail to meet the required level of >50% by value and >50% by number of growers who vote, then Vegetables NZ Inc. will have no secured funding beyond May 2019. In which case Vegetables NZ Inc. will need to reconsider its position and cease the management and work of Vegetables NZ Inc.

Is anyone exempt from paying the levy?

Any commercial fresh vegetables growers who object on conscientious or religious grounds to paying levy in the manner provided for by the Levy Order, will be able to pay the levy to the Director-General of the Ministry for Primary Industries administering the proposed levy. In such cases the Director-General will then pay the levy to Horticulture New Zealand Inc.

Who collects the Levy? Who do I pay?

The levy is payable to Vegetables NZ Inc., and Horticulture New Zealand will continue to manage the levy collection on Vegetables NZ Inc.'s behalf, either collecting directly from growers or from a levy collection agent.

When does the new Levy Order come into place?

Subject to grower agreement Vegetables NZ Inc. are aiming to have the new order in place by 1st April 2019.



Vegetables NZ Inc. Commodity Levy Proposal

As a fresh vegetable grower, you will receive your voting papers for the Fresh Vegetables Commodity Levy Order and the Horticulture New Zealand Levy Order in early July this year.

You will be asked to vote in support of the Horticulture New Zealand Levy **as well as a separate vote for each of the Product Group/s that you are a member of.**

PROPOSED AMOUNT

NO INCREASE

30c

PER \$100
at first point of sale for
DOMESTIC sales

20c

PER \$100
for EXPORT sales
(see below)

Vegetables NZ Inc. proposes **NO** increase in the current Commodity Levy of 0.30% i.e. 30 cents per \$100 at the first point of sale for DOMESTIC sales, and 0.20% i.e. 20 cents per \$100 for EXPORT sales (for those fresh vegetable crops stated in the Commodity Levy Order crop list).

Levy Voting Process

Fresh vegetable growers will need to make (at least) two votes - one for Horticulture New Zealand and one for Vegetables NZ Inc. If you grow other crops you will also be asked to vote for the product group that represents those crops.

Vegetables NZ Inc. supports the wider industry work that Horticulture New Zealand undertakes, and these two work streams complement each other and are funded separately.

Your support in the upcoming referendum is critical for Vegetables New Zealand Inc. to continue providing vital services to fresh vegetable growers.

The current Commodity Levy (Vegetables & Fruit Order 2013) expires in 2019 and as an Incorporated Society Vegetables New Zealand Inc. will be required to apply for their own fresh vegetable Commodity Levy Order.

Fresh vegetable growers will be sent voting forms on the 2 July 2018 by post and asked to vote whether they are for or against the proposed fresh vegetable commodity levy.



You will also receive voting papers from Horticulture New Zealand and the other vegetable product groups that you are a member of.



The vote will be conducted by both 'one grower one vote' and a 'value of production' weighted basis. Voters will be asked to indicate your value of production in the preceding 12 months for the crop being voted on.



For the referendum to be successful Vegetables NZ Inc. must receive a minimum "Yes" vote of 51% of both the 'grower' and 'value' votes.

Product Groups

Product specific work

Horticulture New Zealand

Industry wide work

Working Together
for all growers

Please let us know what you think about this proposal by contacting:

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The past six years... work completed, or in progress

Research & Development

Vegetables New Zealand Inc. have invested over the past six years more than \$1.25m with an additional \$3m in external government funding.

Vegetables New Zealand Inc. have successfully completed more than 30 research projects to support vegetable growers including:

- Nutrient management for vegetable production
- Fluxmeter use on farm
- Maximising the value of irrigation techniques
- Nitrogen "Quick Test" Module testing
- Silt and topsoil run-off management
- PGP Long term sustainable pest management
- Monitoring Biosecurity risks
- Water – Sanitiser, discharge and quality monitoring
- Tamarixia trials and release
- Fruit Fly and Brown Marmorated Stink Bug management
- Cadmium in Leafy greens
- Virus control in Lettuce
- White Fly in Covered Crops

New Zealand Vegetable Promotions

Vegetables New Zealand Inc. funded over \$300,000 per year for the past six years towards joint fresh vegetable promotional activities. The fresh vegetables Promotional Committee develop, source and provide all vegetable promotional material for retail, education and health sectors.

Agrichemical Reassessment Program and Environmental Protection Agency (EPA)

Vegetables New Zealand Inc. invested and will continue to invest and manage a complicated process for collating agrichemical data use relating to over 50 vegetable crops. Vegetables New Zealand Inc. supports submissions to the Environmental Protection Agency for a range of agrichemicals used by vegetable growers.

Export Development

Review and explore export opportunities including:

- Potential export market analysis
- Research for improved export crop quality
- Researching export crop "shelf life" extensions
- Develop improved phytosanitary treatments
- Negotiate improved export market access



RMA (Resource Management Act)

Vegetables New Zealand Inc. allocates levy funding for the researching of RMA and NRE support data and information in submissions to Government specifically on behalf of fresh vegetable growers.

NZGAP

Along with other vegetable product groups Vegetables New Zealand Inc. initiated the NZGAP program and will continue to support this successful program to enhance better growing practices and maintain quality standards for our consumers.

Education & Training

Vegetables NZ Inc. is a contributor on the HCG (Human Capability Group) to develop and implement a horticulture strategy to attract, develop and retain horticulture's future leaders and skilled workers. The HCG's aim is to influence the policies of key stakeholders, including but not limited to the TEC, Primary ITO and Government.

Government Industry Agreement (GIA)

Vegetables NZ Inc. signed the Government Industry Agreement Deed for Biosecurity Readiness and Response to ensure the vegetable industry sector is better prepared for any pest or disease incursion.

Under the Government Industry Agreement Deed, the signing of an Operational Agreement entitles Vegetables New Zealand Inc. to negotiate costs and the course of action for any incursion. To date Vegetables New Zealand Inc. has signed Operational Agreements for the Fruit Fly and Brown Marmorated Stink Bug.

The next six years... our future focus

Your Vegetables NZ Inc. Commodity Levy will be used to fund the following activities:

It is Vegetables NZ Inc. responsibility to manage key issues, opportunities and trends that affect the fresh vegetable sector now and in the future:



- Expand the comprehensive Vegetables NZ Inc. Research Program and in conjunction with the Vegetable Research and Innovation Board (VR&I) further develop and integrate multi crop research;
- Continue to provide funding and resource support to increase consumer consumption and awareness of fresh vegetables;
- Increase the search for new chemistry and technology including biological control agents (a method of controlling pests such as insects, mites, weeds and plant diseases using other organisms) to protect our fresh vegetable crops;
- Continue to pursue and develop export market opportunities;
- Continue the reassessment and update agrichemical use and potential replacements
- Extend our presence in the Biosecurity partnership with Government to ensure greater pest, disease and virus surveillance and management;
- Extend our support for training and recruitment of individuals for the fresh vegetable sector
- Continue to support the NZGAP and GLOBAL GAP programs;

Vegetables NZ Inc. Vision

Vegetables New Zealand Inc.'s Board provide a united voice for fresh vegetable growers on industry wide issues and deliver measurable benefits to its grower members through focused industry leadership. Ensuring that New Zealand fresh vegetable growers have a secure and sustained demand driven production base, for the domestic market and to provide continued support for the export sector.

Vegetables NZ became an Incorporated Society in April 2015 and developed and initiated the new strategy platform to manage and support sales growth for our Vegetables New Zealand Inc. members which has grown 64% over the past 10 years.

NZ Grower sales value (excluding Potatoes, Tomatoes and Onions) 10 Years (2007 - 2016)										
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Grower Value	\$250m	\$281m	\$270m	\$286m	\$304m	\$300m	\$344m	\$368m	\$395m	\$409m