

What levy rate are we proposing?

Process Vegetables NZ are proposing an increase to the current Commodity Levy of 0.50% (50 cents per \$100) received at the first point of sale to **0.80% (80 cents per \$100)** of the gross sales value (before deduction of costs and charges) for the purposes of funding an expanded research program, agrichemical reassessments and biosecurity activities.

(A separate Process Vegetables NZ Biosecurity Levy for "Readiness and Response" was voted on and supported at the Process Vegetables NZ Special General Meeting held in Rakaia on 23 November 2017).

Will there be different levy rates?

No. All process vegetables will be levied at one rate.

How will the levy rate be set?

The rate for any levy year will be set by vote at the Process Vegetables NZ Annual General Meeting. Where the levy rate differs from that applicable in the previous year the notification will be published in the NZ Gazette, the NZ Grower Magazine and by direct mail to all known process vegetable growers and levy collectors.

Who is entitled to vote?

All active commercial process vegetable growers are entitled to vote. Active commercial process vegetable growers are those persons or businesses that are actively engaged in the commercial production of process vegetables which specifically excludes asparagus, onions, potatoes and tomatoes.

Who will the levy be paid to?

Horticulture New Zealand Inc. will collect the levy on behalf of Process Vegetables NZ, an affiliated product group.

Commodity that is to be levied

All process vegetables grown for commercial processing (which specifically excludes asparagus, onions, potatoes and tomatoes). Imported process vegetables will not be levied.

Who will be responsible for paying the levy?

All commercial process vegetable growers. Any commercial process vegetable growers who object on conscientious or religious grounds to paying a 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 who administers the levy. In such cases the Director-General of the Ministry will then pay the levy to Horticulture New Zealand Inc.

How will the levy be calculated?

The levy will be calculated as a percentage of gross value (before deduction of costs and charges) at the first point of sale or where vegetables are processed prior to the first point of sale (e.g. by the grower). The levy will be a percentage of the notional value that, in the opinion of Horticulture New Zealand Inc, is the value that the process vegetable grower would have received immediately before it was processed.

How the levy is to be paid

Process growers will pay the levy via levy collectors (Processors). Levy collectors (including processors) who buy process vegetables from growers will collect the levy at the first point of sale and will pay the levy to Horticulture New Zealand Inc. on behalf of Process Vegetables NZ.

When does the new levy order come into place?

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



Process Vegetables NZ Commodity Levy Proposal

As a process vegetable grower, you will receive your voting papers for the Process 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 Process Vegetables NZ and each of the other Product Group/s that you are a member of.

PROPOSED AMOUNT

INCREASE TO

80c

PER \$100

of the gross sales value

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Levy Voting Process

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

Process Vegetables NZ 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 Process Vegetables NZ to continue providing vital services to process vegetable growers.

The current Commodity Levy (Vegetables & Fruit Order 2013) expires in 2019. Process 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 process 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 their value of production in the preceding 12 months for the product group being voted on.



For the referendum to be successful Process Vegetables NZ 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 either:

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

Process Vegetables NZ Portfolios & Research Activities

A number of projects and activities are funded by the Process Vegetables NZ Product Group levy with management and work specifically relating to research projects and issues affecting our process vegetable growers. Without the Process Vegetables NZ levy funding none of this work would be possible.

Research & Development

Process Vegetables NZ have leveraged substantial external funding from various government organisations (such as the Ministry for Primary Industries Sustainable Farming Fund (SFF)) for process vegetable research over the past six years, enabling a significant return on investment from the Commodity Levy funds.

Two new Process Vegetables NZ research project proposals include the "Pea Cytokinin" project where the application of cytokinin on legumes has been shown to influence yield.

The other research project is to understand "The relationship between pea seed set and growth rate" in New Zealand growing conditions.

A third pea project proposal will research Root biome and risk predictions to mitigate the root rot complex of peas.

Over 40% of the Process Vegetables NZ research investment is allocated to co-funding science data and technical information projects via the Vegetable Research & Innovation Board to support Horticulture NZ Resource Management Act applications and negotiations on behalf of Process Vegetables NZ grower members. Examples of a number of projects managed and funded by Process Vegetables NZ and the Vegetable Research & Innovation Board during the past Levy referendum period:

- **Carrot Yield Project**
Better Sustainable Production
- **Pea Soil borne diseases**
Root biome and risk prediction to mitigate root rot of peas
- **Beans - increased productivity**
Nutrient, weeds and disease focus (Pilot trial and project)
- **Pea Seed Germination**
Pea Germination, establishment and variability in pea yield
- **Peas PGR project**
Plant Growth Regulators
- **Sweetcorn Updated Toolkit**
Revise current copy and pest list
- **Broom Corn Millet weed**
Research control solutions for the eradication of BCM weed
- **Buried Weed Seed**
Study on weed seed resistance in eight regions
- **Pea Industry Development**
Improve pea yields by 1 tonne per hectare

Environmental Protection Agency (EPA) agrichemical reassessment program

Process Vegetables NZ will continue to invest in the Vegetable Research & Innovation Board to manage a complex process of collating agrichemical data use relating to over 50 vegetable crops. The Process Vegetables NZ Board support the submission to the EPA seeking to extend the usage period for a range of agrichemicals used by process vegetable growers and has been successful to date in deferring the banning of five key agrichemicals for at least a further 18 months.

Government Industry Agreement (GIA) and Biosecurity Levy

Over the past nine years there has been a strong call by the horticulture industry to improve the biosecurity structure in New Zealand and to achieve this the primary sector needs to provide partial funding and "on the ground" resource support.

After several years of negotiations The Process Vegetables NZ Board determined that it is in the best interests of all Process Vegetables NZ members to become a partner in signing the GIA Deed and any relevant Operational Agreements (O.A.).

RMA (Resource Management Act)

Process Vegetables NZ continue to financially support research to provide data and information for submissions to Government and for negotiations specifically on behalf of process vegetable growers.

Process Vegetables NZ and NZGAP

Process Vegetables NZ along with other vegetable product groups continue to support the successful NZ GAP to enable better growing practises, maintain higher quality standards and provide optimum product to consumers.

The next six years our future focus...

It is proposed that the levies will be spent by Process Vegetables NZ for the following purposes relating to process vegetables and growers:



Process Vegetables NZ will consult with growers on how the levy is spent through grower consultation and at the Process Vegetables NZ Annual General Meeting.

What now?

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

We hope the work and key focus Process Vegetables NZ has taken on your behalf as a grower has been beneficial to you and your business.

Process vegetable growers are facing ongoing economic and sector pressures. Our role is to provide you with the support and assistance to eliminate or minimise those issues.