

# Apiculture New Zealand 2019 Commodity Levy Proposal

## The need for change

**Our industry is growing.** We need to manage and leverage this growth, and importantly, ensure we sustain a healthy bee population. To do this we know that we need to invest more in:

- **research** relating to bee health
- **biosecurity**
- **education** and **best-practice** beekeeping
- **sustainable beekeeping**, including stocking levels
- **supporting industry generally**, including on market access issues

Apiculture New Zealand is doing what it can, but realistically we are a voluntary organisation with limited funds. This means national work programmes and multi-season projects are beyond our financial capability.

Our aim is to implement a commodity levy that is **fair, equitable**, and **aimed at supporting** the long-term success of the entire industry.

## What is a commodity levy?

Parliament has provided a mechanism for primary sector industry bodies to fund their work in a way that those who benefit from this work contribute towards its funding. It is called the Commodity Levies Act and is established only with the consent of potential levy payers.

This means that Apiculture New Zealand must undertake consultation, to **consider feedback** and finally, to **demonstrate** an industry mandate among those who are potential levy payers through to a vote.

The Minister of Agriculture must be satisfied that the application has met the requirements of the Act.

The levy order is then valid for six years, renewed through further consultation and a referendum. Most primary sector groups have a commodity levy.

The commodity levy needs to be run by an industry association that has the credentials and infrastructure in place to support the work that needs to be done. ApiNZ already has good infrastructure and a strong management team in place.

### Why vote?

Under the Commodity Levies Act 1990, ApiNZ is required to ask beekeepers if they wish to implement a commodity levy to fund industry investment for New Zealand's Apiculture sector.

Under the Commodity Levies Act, ApiNZ must demonstrate over 50% of potential levy payers who returned their votes support the introduction of a commodity levy.

### What would a no vote mean?

A 'no' vote would mean that our ability to progress with the industry good activities outlined in this document will be limited.

### Who votes?

All registered beekeepers that have 26 or more hives. Levies will be imposed on all beekeepers with 26 or more hives AND produce more than 750 kg of honey per annum.

### How can I vote?

You can vote online by following the link at: **[www.electionz.com/apinz2019](http://www.electionz.com/apinz2019)** or complete and post the enclosed ballot paper to the address shown on the ballot paper.

### A result in favour of the commodity levy will occur if:

- The 'YES' votes equals more than half of all the votes cast, AND
- The 'YES' votes represent more than half of the total registered beehives of those who voted

This approach, on a hive basis, ensures that voting for a commodity levy is legitimate and can easily be audited using the AFB database, based on the 2018 Annual Disease Return Individual Beekeeper Declaration (ADR).

This approach captures those producers who hold over 95% of all hives in New Zealand.

Each qualifying registered beekeeper (those with 26 or more hives) can vote once, either, electronically or by post, instructions for voting are contained in the attached voting papers.

### What is the proposal?

- In the first year all producers of honey in New Zealand with an annual production of 750 kg or more will be levied at \$0.10 per kilogram of harvested honey
- The levy order will allow for levy rates to increase to a maximum of \$0.15c over the levy period of 6 years. The rate of the levy cannot be increased without the majority vote of levy payers
- The levy order will require extraction plants to submit annual returns to Apiculture New Zealand each year so that Apiculture New Zealand can invoice beekeepers. The levy will be paid directly by beekeepers
- For example, a producer that has an annual production of 749 kg per year will not have a levy payable to Apiculture New Zealand
- A producer that produces 750 kg in any year will have a levy of \$75 payable to Apiculture New Zealand

## Commodity Levy Consultation Timeline

<b>28 January</b> Ballot papers received by	<b>1 February</b> Voting opens	<b>1 March</b> Voting closes	<b>12 March</b> Results announced	<b>In case of a YES vote. No later than 1 April</b> Levy order recommended to The Minister
<b>2019</b>	<b>Levy order expected to be in place by 1 October 2019</b>			
	Levy payable on any honey harvested from <b>1 October</b> onwards – subject to the minimum volume of 750 kg produced.			

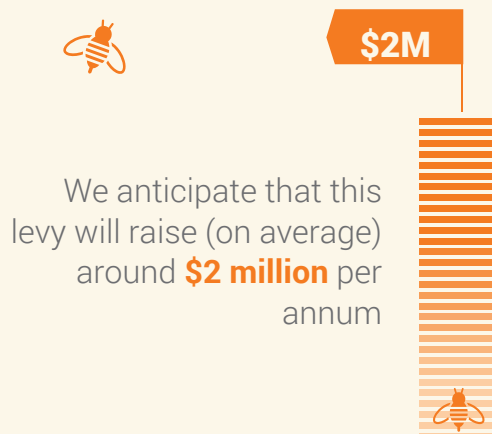
Levy payment will be compulsory by law.

Levy payers will also have their say on the investment programme annually through the ApiNZ AGM. This means that Apiculture New Zealand will consult on proposed investment ahead of the levy being in place.

Levy payers will be represented by commercial board members, who will direct the investment of levy funds. Associate members will vote for remaining board members in the sector that represents them.

Voting on the investment of levy funds will be weighted based on declared honey volumes by levy payers.

### How much will the levy raise?



**The levy collection remains directly linked to honey volume produced.**



# Key focus areas

## Science & Research

- **Bee health:** for example, new treatment methods for Varroa, such as research into oxalic acid and glycerine towards an approved treatment method; research into treatment resistance, investigation into bio-control.
- **Ongoing Colony loss surveys:** to benchmark bee health domestically and internationally (shared Government and Industry funding).
- **Pesticides:** research into the impact of toxins on bee health; identifying the levels of toxins in our soils & water; how we can mitigate the impact of pesticides.
- **Sustainability:** for example, research into a bio-control for passion vine hopper to mitigate the risk of Tutin in honey.
- **Science extension:** a technology transfer programme between scientists and beekeepers, facilitating discussion around completed, current and potential research.

## Biosecurity

- **Control and management** of incursions and/or eradication programmes for new pests and diseases, identifying new bee diseases at point of entry, introducing sentinel hives and programmes of work in consultation with industry.
- **Management programmes** for Varroa, Giant Willow Aphid, Wasps, Myrtle Rust and others.
- **Readiness funding. Including the ongoing involvement in Government Industry Agreement (GIA)** mechanism – so any GIA levy introduced under the Biosecurity Act can be established at zero unless a specific incursion warrants a targeted response.

## Industry Advocacy

- Representing industry needs and concerns to decision makers through regular advocacy to Government Ministers and agencies, including submissions and policy support.
- Supported by industry-based Focus Groups to ensure policy represents levy payers.
- **Leveraging 3rd party funding:** quantifying the real value of a thriving bee population to New Zealand biodiversity, pastoral, forest, and horticultural industries. Funding opportunities include, for example MPI and MBIE Funding.

## Education and Skills

- Identifying industry needs and developing supporting programmes in response, for example, running specific training to support beekeepers in disease detection.
- Ongoing development of the NZ Apprenticeship in Apiculture.

## Market Access

- Working with industry and regulators to ensure that New Zealand honey and bee products meet overseas market access requirements, including addressing regulatory requirements such as C4 sugars, Tutin, residues etc.

## Identifying unique attributes and benefits of New Zealand honey and bee products

- Grow the value of all our New Zealand native mono-floral honeys and bee products, positioning these as part of our New Zealand honey story.

## Reserves to cover:

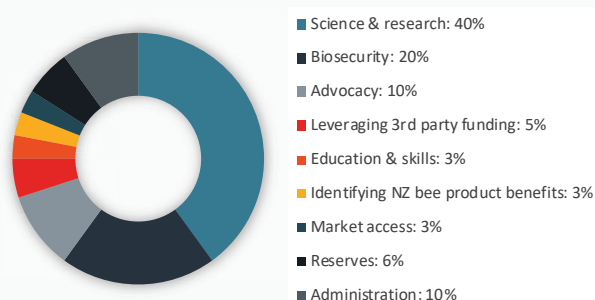
- multi-year projects
- unbudgeted expenditure, in the event of unforeseen events or opportunities requiring early action.
- years of low yield.

## Administration to cover:

- collecting and running the levy and ensuring that key activities are managed effectively and efficiently.

## How much money will be spent?

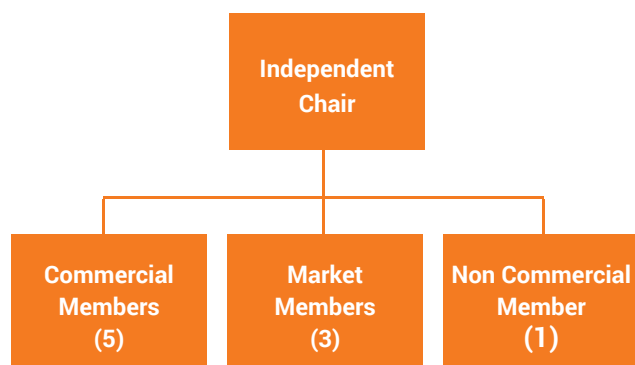
The graph outlines a basis for consulting future levy payers on how Apiculture New Zealand might invest commodity levy funds.



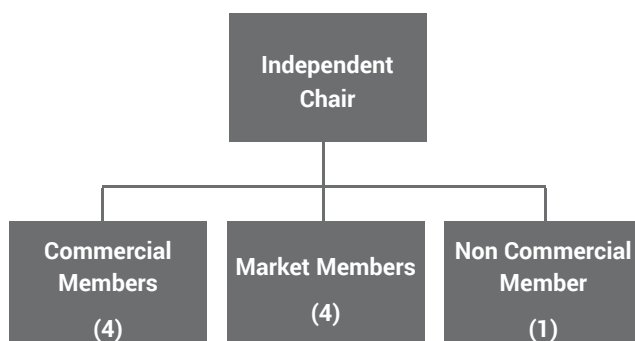
## If the levy is successful, what will governance look like?

The Apiculture New Zealand board will need a slight restructure in the case of a 'yes' vote, to ensure levy payers have majority representation on the Board.

### Proposed Structure



### Current Structure



## Who can I discuss this with?

You can also discuss any aspects of the levy or the work of Apiculture New Zealand by contacting:

### Karin Kos, Chief Executive

P: 027 437 9307

E: [ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)

### Or any member of the Apiculture New Zealand Board

#### Bruce Wills (Independent Chair)

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