



# APICULTURE

## NEW ZEALAND

# SUBMISSION

**TO:** Ministry for Primary Industries (New Zealand Food Safety)  
**FROM:** Apiculture New Zealand  
**SUBMISSION ON:** Proposed Changes to Cost Recovery in MPI's Food Safety System  
**DATE:** 17 February 2022  
**Via email:** [costrecovery@mpi.govt.nz](mailto:costrecovery@mpi.govt.nz)

**CONTACT DETAILS:** Apiculture New Zealand  
PO Box 10-414  
Wellington 6143  
04 471 6254  
Email: [ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)

## Contact details

Name:	<input type="text" value="Karin Kos"/>
Title:	<input type="text" value="Chief Executive Officer"/>
Postal address:	<input type="text" value="Apiculture New Zealand&lt;br/&gt;PO Box 10-414&lt;br/&gt;Wellington 6143"/>
Phone number:	<input type="text" value="04 471 6254"/>
Email address:	<input type="text" value="ceo@apinz.org.nz"/>

## Are you submitting:

### - as an individual?

Yes  No

In which region are you located?

- |  |  |                                      |
|--|--|--------------------------------------|
| <input type="checkbox"/> Northland     | <input type="checkbox"/> Auckland          | <input type="checkbox"/> Waikato     |
| <input type="checkbox"/> Bay of Plenty | <input type="checkbox"/> Gisborne          | <input type="checkbox"/> Hawke's Bay |
| <input type="checkbox"/> Taranaki      | <input type="checkbox"/> Manawatu-Wanganui | <input type="checkbox"/> Wellington  |
| <input type="checkbox"/> Marlborough   | <input type="checkbox"/> Tasman-Nelson     | <input type="checkbox"/> West Coast  |
| <input type="checkbox"/> Canterbury    | <input type="checkbox"/> Otago             | <input type="checkbox"/> Southland   |

### - as a business?

Yes  No

What is the name of your business?

How many people work in your business (full time/ part time)?  
(including owner-operators)

- |                                  |                                  |                                 |
|----------------------------------|----------------------------------|---------------------------------|
| <input type="checkbox"/> 0 - 5   | <input type="checkbox"/> 6 - 9   | <input type="checkbox"/> 10 -19 |
| <input type="checkbox"/> 20 - 49 | <input type="checkbox"/> 50 - 99 | <input type="checkbox"/> 100+   |

In which region(s) do you operate?

- |  |  |                                      |
|--|--|--------------------------------------|
| <input type="checkbox"/> Northland     | <input type="checkbox"/> Auckland          | <input type="checkbox"/> Waikato     |
| <input type="checkbox"/> Bay of Plenty | <input type="checkbox"/> Gisborne          | <input type="checkbox"/> Hawke's Bay |
| <input type="checkbox"/> Taranaki      | <input type="checkbox"/> Manawatu-Wanganui | <input type="checkbox"/> Wellington  |
| <input type="checkbox"/> Marlborough   | <input type="checkbox"/> Tasman-Nelson     | <input type="checkbox"/> West Coast  |
| <input type="checkbox"/> Canterbury    | <input type="checkbox"/> Otago             | <input type="checkbox"/> Southland   |

### - on behalf of an organisation?

Yes  No

What is the name of your organisation?

How many members do you represent?

## Additional details

What industry are you (or your members) primarily involved in?

- |  |  |
|--|--|
| <input type="checkbox"/> Agriculture   | <input type="checkbox"/> Aquaculture   |
| <input type="checkbox"/> Fishing   | <input type="checkbox"/> Seafood processing                                  |
| <input type="checkbox"/> Meat & meat product manufacturing                         | <input type="checkbox"/> Dairy product manufacturing                         |
| <input type="checkbox"/> Other food Manufacturing                                  | <input type="checkbox"/> Other (non-food) manufacturing                      |
| <input type="checkbox"/> Food Product wholesaling & retailing                      | <input type="checkbox"/> Food & beverage services (e.g. cafes & restaurants) |
| <input type="checkbox"/> Transport, warehousing & related services                 |  |
| <input checked="" type="checkbox"/> Other: <input type="text" value="Apiculture"/> |  |

## Which section do you wish to comment on?

- |   |
|---|
| <input checked="" type="checkbox"/> Section 2: Cost recovery principles and overall approach to cost recovery                             |
| <input checked="" type="checkbox"/> Section 3: Industry Background  |
| <input type="checkbox"/> Section 4: Update to the wine export levy under the Wine Act   |
| <input type="checkbox"/> Section 5: Update to the fish export levy under the Animal Products Act  |
| <input checked="" type="checkbox"/> Section 6: Update to the Circuit verifier fee under the Animal Products Act                           |
| <input checked="" type="checkbox"/> Section 7: Four cost recovery issues relating to honey and bee products under the Animal Products Act |
| <input type="checkbox"/> Section 8: Vet work outside of normal hours  |
| <input type="checkbox"/> Section 9: Vet work at transitional facilities and containment facilities  |
| <input type="checkbox"/> Section 10: Assistance dogs  |
| <input type="checkbox"/> Section 11: Minor updates to charging cat and dog imports and exports  |
| <input type="checkbox"/> Section 12: Minor updates to the ability to charge cat and dog importers   |
| <input type="checkbox"/> Section 13: Minor update to wording to enable MPI to charge large dairy processors                               |
| <input type="checkbox"/> Section 14: Minor update to the unit of measurement used in relation to the transport of equine semen            |
| <input type="checkbox"/> Section 15: Clearance of imported food   |
| <input type="checkbox"/> Section 16: Aquaculture services levy  |

## How did you read the consultation document?

Tick all that apply:

- |   |
|---|
| <input type="checkbox"/> On a phone                                 |
| <input type="checkbox"/> On a tablet, iPad or similar device        |
| <input checked="" type="checkbox"/> On a laptop or desktop computer |
| <input checked="" type="checkbox"/> On paper as a printed document  |

## Executive Summary

### MPI's proposal

MPI is proposing changes to a range of fees under the Food Act 2014. Apiculture New Zealand (ApiNZ)'s comments are about the fees that affect members of the apiculture industry. Table One details the three fees MPI is proposing that affect our members.

Table One: MPI Proposals to change fee and levy rates for the apiculture industry

Fee or levy	Current rate (excl. GST)	Proposed rate (excl. GST)	Percentage change
Circuit Verification Fee	\$176 per hour	\$230.50 per hour	31 percent increase
Domestic Bee Levy	\$471.80 per year	\$308 per year	35 percent decrease
Export Bee Levy	\$1,005.70 per year	\$2,443.00 per year	143 percent increase

### Cost recovery principles and overall approach to cost recovery

ApiNZ is disappointed at the Ministry for Primary Industry (MPI)'s continued lack of transparency of its costs. While ApiNZ appreciates the need for MPI to recover the costs of these services, MPI needs to do this in a consistent and transparent way that does not suddenly add costs without clear justification.

ApiNZ is very concerned that MPI has allowed significant deficits (and surpluses) to build up before reviewing their cost recovery arrangements. Section 202 of the Food Act 2014 states clearly that cost recovery charges must be reviewed "at least once in every 3-year period" (ApiNZ's emphasis) and not every third year. Reviews should be more frequent. ApiNZ strongly recommend that MPI review any deficits or surpluses annually in future, and control costs more carefully, to avoid the significant fee changes to pay back surpluses and recover deficits as well as to address the equity issues and frustrations that occur when deficits and surpluses are left to build up.

ApiNZ is also frustrated that, once again, MPI is consulting on such an important issue at an extremely busy period for industry. MPI has been told several times in the past that consulting during peak production and processing makes it difficult for members of the industry to engage.

### Industry background

The consultation document uses production data for the five years to 2019/20 and projects production forward based on production in the 2019/20 year (27,000 tonnes). Production in the 2019/20 year was exceptional and is not likely to be repeated every year. MPI has also not included production for the 20/21 year (20,500 tonnes) that was published by MPI in November 2021, well before this consultation document was released in the middle of January 2022. ApiNZ supports using the average of the last five years of production (2017-2021) of 21,071 tonnes as an estimate of production for future years as production varies considerably between years.

### Circuit verification fee

ApiNZ's preferred option is Option 2(b) where only future costs are recovered and that there is a graduated increase in the fee. Under this option, the fee would increase to \$189.84 in 2022/23 and to \$203.49 in 2023/24 and 2024/25.

## **Domestic bee levy**

ApiNZ's previous submission on this issue in March 2021 commented that the term 'Domestic Bee Levy' is not understood and not recognised by those who pay it. This consultation document still provides little information on what the fee covers. ApiNZ is concerned that MPI has been incorrectly allocating expenditure on export standards to the domestic account, and about the sudden addition of expenditure on developing and maintaining bee product standards that had been overlooked in the past.

ApiNZ's preferred option for the domestic bee levy is Option 2: a one-off refund of \$359.31 to the eleven domestic-only operators and a reduction in the levy to \$431.08 per operator per year. ApiNZ is disappointed that, while MPI has clarified that the export bee levy includes the domestic bee levy, no refund is being offered to operators who pay the export levy in the consultation document. ApiNZ supports the refund being offered to everyone paying the domestic bee levy, regardless of whether they also pay the export levy.

## **Export bee levy**

ApiNZ prefers option 2(c) where future costs only are recovered and there is a graduated increase in the export bee levy (export component and domestic component) from \$1,005.70 at present to \$1,259.69 in 2022/23 and to \$1,712.33 in 2023/24 and 2024/25. ApiNZ does not support recovering costs for past years, which if implemented, would increase the total export bee levy to \$2,443.00 per operator per year (Option 1(a)).

ApiNZ does not believe that MPI has provided a sufficient explanation of the reasons for the significant increase in the export bee levy. ApiNZ also does not think that the principles of transparency and justifiability (which underpin MPI's cost recovery programme) have been applied in relation to the export bee levy. In addition, the apiculture industry has no control over MPI's costs and many in the beekeeping industry are facing financial difficulties as compliance and operating costs have risen significantly while prices for honey have dropped significantly.

## **Fee per operator or fee per tonne produced or exported**

MPI has also requested feedback on whether to keep the domestic bee levy and the export bee levy to a single charge per operator or change to a levy per tonne. Section 7.5.5 and Figure 27 provide an estimate of the per tonne levy based on domestic production of 5,000 tonnes per year of \$5.20 per tonne. This section also uses the annual export volume estimates produced in the MPI's June 2021 Situation and Outlook for Primary Industries (SOPI) to produce an estimate of the per tonne levy for exports of \$60.67 per tonne. ApiNZ has been unable to find any information in the consultation document on how administration of a domestic or export levy would work.

Honey production varies considerably from year to year in the MPI Apiculture Monitoring Data (from 23,000 tonnes in 2019, to 27,000 tonnes in 2020 to 20,500 tonnes in 2021). ApiNZ is concerned that this will make it more likely that a levy per tonne of production will substantially over or under recover costs. As the export volume tends to be more stable, over or under recovery per tonne of exports will probably be less of a problem if a fee per tonne was based on the export volume of honey. However, in periods of rapid unexpected growth in volumes, such as during 2020, unless the levy was reviewed regularly, over recovery could happen quite quickly.

Therefore, in our view MPI has provided insufficient clarity about how the levy per tonne option would work for us to properly evaluate this option against the single charge per operator. Until more information is provided, ApiNZ prefers to keep the domestic bee levy and the export bee levy as a single charge per operator.

# EXPENDITURE AND REVENUE REVIEWS

## SECTION 2: COST RECOVERY PRINCIPLES AND OVERALL APPROACH TO COST RECOVERY

1.1. Do you have any thoughts on MPI's overall approach to cost recovery?

<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No

1.2. If you answered yes, please outline your thoughts.

ApiNZ expresses its concern at MPI's continued lack of transparency of its costs. While ApiNZ appreciates the need for MPI to recover the costs of these services, MPI needs to do this in a consistent and transparent way that does not suddenly add additional costs without clear justification.

ApiNZ is very concerned that MPI has allowed significant deficits (and surpluses) to build up before reviewing their cost recovery arrangements. Section 202 of the Food Act 2014 states clearly that cost recovery charges must be reviewed "at least once in every 3-year period" (ApiNZ's emphasis) and not every third year. Reviews should be more frequent. ApiNZ strongly recommend that MPI review any deficits/surpluses annually in future, and control costs more carefully, to avoid the significant fee changes to pay back surpluses and recover deficits as well as to address the equity issues and frustrations that occur when deficits and surpluses are left to build up.

ApiNZ is concerned that that MPI has been incorrectly allocating expenditure on export standards to the domestic account, and about the sudden addition of expenditure on developing and maintaining bee product standards that had been overlooked in the past.

ApiNZ's previous submission on this issue commented that the term 'Domestic Bee Levy' is not understood and not recognised by those who pay it. This consultation document still provides little information on what the fee covers.

While more information is provided about what is covered by the export levy and what MPI has decided not to charge industry for, it is still difficult for our members to understand the reasons for such a large increase to the export levy.

1.3. Are there any key factors or scenarios missing?

<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No

1.4. If you answered yes, please describe the key factors or scenarios that you think are missing.

The key issue for our members is the lack of clarity and transparency around how costs have been allocated, and also that deficits and surpluses are allowed to build up for several years as outlined above.

## SECTION 3: INDUSTRY BACKGROUND

2.1. Is MPI's understanding of how industry has performed recently, including since Covid-19, accurate?

<input type="checkbox"/>	<input checked="" type="checkbox"/>
Yes	No

2.2. If you answered no, what are the reasons for your opinion?

The consultation document uses dated data that does not fairly reflect industry production levels. For example, Figure 26 does not include the latest figure published by MPI on the total production of honey in New Zealand for the 2020/21 season. The apiculture monitoring data<sup>1</sup> published on MPI's website in November 2021 estimated that production for the 2020/21 season was 20,500 tonnes. The consultation document instead uses production for the 2019/20 year which was exceptional and is not likely to be repeated every year as in Figure 27: Estimation of levy rates. The average of the last five years of production (2017-2021) of 21,071 tonnes would be a better estimate for future years as production varies so much.

The estimate of 5,000 tonnes per year of domestic consumption in Figure 27: Estimation of Levy Rates is sourced to Kathryn Reid's 2020 report for the Kellogg Rural Leadership Programme. This report sources an article from the NZ Herald by Jane Phare which is not available without a subscription to the NZ Herald, so it was not possible to check the source of this data further. MPI has also not considered the sales to international tourists while on holiday in New Zealand. The volume of these sales has dropped significantly since New Zealand's borders were closed to international tourists due efforts to limit the spread of COVID-19. A more robust estimate of domestic consumption is needed before a move to a domestic levy based on production can be considered.

Our members have also advised that mānuka honey production can vary a lot between years as the climate impacts heavily on the flowering of mānuka. Some years, even if the hives are placed in the same place geographically each year, no monofloral or multifloral mānuka honey is harvested.

2.3. Is there any additional information MPI should be aware of?

No

<sup>1</sup> <https://www.mpi.govt.nz/resources-and-forms/economic-intelligence/farm-monitoring/#apiculture>

## SECTION 6: Update to the Circuit verifier fee under the Animal Products Act

**Proposal:** Amend regulations to increase the circuit verification fee from \$176 per hour to \$230.50 per hour.

5.1 Do you have any comments on MPI's assessment around the Transparency and Justifiability principles?

<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No

5.2 If you answered yes, please provide your comments below

The circuit verifier fee increase seems to be excessive compared to fee increases our members are facing elsewhere in the apiculture industry. ApiNZ can see no clear justification for the increase.

5.3 Do you have any information about how the fee options in Figure 15 compared to prices charged by other operators?

<input type="checkbox"/>	<input checked="" type="checkbox"/>
Yes	No

5.4 If you answered yes, please provide the information below

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5.5 Do you have any comments on MPI's assessment around the Efficiency and Equity principles?

<input type="checkbox"/>	<input checked="" type="checkbox"/>
Yes	No

5.6 If you answered yes, please provide your comments below

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5.7 Which option is your preferred option and why?

Our preferred option is for Option 2(b) whereby only future costs are recovered and that there is a graduated increase in the fee. The reason for this is that the apiculture industry has no control over MPI's costs and that many in the beekeeping industry are facing financial difficulties where compliance and operating costs have risen significantly while prices for honey have dropped significantly.

5.8 Would you prefer a single change to the levy or a graduated change?



<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Single change	Graduated change	Don't know

5.9 Would any option cause you considerable concern and why?

The option that would cause us the most concern would be Option 1(a) which aims to cover future costs and the accumulated deficit with a single change in the fee.

ApiNZ appreciate the need for MPI to recover the costs of this service, but MPI needs to control costs better and to act in a consistent and transparent way that does not add sudden costs. MPI should have a better understanding of how these costs are incurred by now and should not need to consistently increase fees by a large amount.

5.10 How much do you spend on MPI's verification services in a typical year? (This question will help us understand whether there are differences between large exporters and small exporters.)

This question is not applicable as ApiNZ is an industry body.

5.11 Are verification services offered by other providers for your premise/production?

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

5.12 If you answered no, is this because you process meat or for some other reason?

ApiNZ did not answer this question as ApiNZ is the peak body representing all sectors of the apiculture industry in New Zealand and does not use verification services.

## SECTION 7: FOUR COST RECOVERY ISSUES RELATING TO HONEY AND BEE PRODUCTS UNDER THE ANIMAL PRODUCTS ACT

**Issue 1:** Domestic surplus and export deficit

**Proposal:** Amend regulations to increase the export bee levy from \$1005.70 per annum to \$2443.00 per annum; and amend regulations to decrease the domestic bee levy from \$471.80 per annum to \$308 per annum.

6.1 Do you have any comments on MPI's assessment around the Transparency and Justifiability principles?

<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No

6.2 If you answered yes, please provide your comments below

ApiNZ agrees with the principles of transparency and justifiability where costs are “transparent” and “reasonable”. However, these principles have not been demonstrated in the proposed changes outlined in the consultation document.

While ApiNZ appreciate the need for MPI to recover the costs of this service, MPI needs to control costs better and to act in a consistent and transparent way that does not add sudden costs. ApiNZ is concerned about the current trend of large increases every time these fees are reviewed. MPI should have a better understanding of how these costs are incurred by now and should not need to consistently increase fees by a large amount. This is becoming a disturbing trend and is not sustainable in the long term.

As an example, in the previous consultation on the domestic bee levy, MPI said that the account was in deficit and that the fees needed to be increased. However, in this consultation round, MPI has said that some costs previously allocated to the domestic bee levy should have been allocated to the export bee levy, so now the domestic bee levy account is in surplus. This level of inconsistency is difficult for our members to plan for, especially for our smaller members.

- 6.3 Do you consider that MPI has sufficiently explained expenditure and why the bee domestic account is in surplus and the bee export account in deficit? Why or why not?

While MPI has provided an explanation of why the domestic account is in surplus, the explanation lacks detail on what the costs that MPI thought should have been recovered under the export bee levy actually are, so it is difficult to comment on this proposal.

MPI has not provided a sufficient explanation of the reasons for the increase in the export bee levy. While the consultation document states that expenditure on developing and maintaining bee products standards was overlooked for cost recovery historically, more detail should be provided about why these costs were overlooked as these costs account for 60 percent of the deficit.

- 6.4 Is there any further information you would like to see provided in future, or would like MPI to provide as part of this review?

<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No

- 6.5 If you answered yes, please provide further information below.

As part of the review, ApiNZ would have expected to see further details about new costs that have been included in the export bee levy and why they were not previously included in the past. ApiNZ would also prefer to see the details of exactly how the levy per tonne for both the domestic and export bee levy would be collected and what administration system would be used to collect these levies.

- 6.6 Would you rather the surplus in the bee domestic account be returned via a one-off refund or gradually over the next three years?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One-off refund		Don't know

Graduated reduction in  
cost recovery over three  
years

6.7 Would you prefer a single change or a graduated change for the bee export levy?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Single change	Graduated change	Don't know

6.8 Would any option cause you considerable concern and why?

ApiNZ prefers option 2(c) where future costs only are recovered and there is a graduated increase in the export bee levy. Options 1(a), 1(b) and 1(c) would cause us considerable concern given this is a considerable increase in the domestic levy. The reason for this is that the apiculture industry has no control over MPI's costs and that many in the beekeeping industry are facing financial difficulties where compliance and operating costs have risen significantly while prices for honey have dropped significantly.

**Issue 2: Levy unit**

**Proposal:** Amend regulations to charge operators in proportion to their production. The charge will shift from a levy per operator to a levy per tonne.

6.9 Would you prefer to keep the bee *domestic* levy as a single charge per operator, or change it to a charge per tonne produced?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single charge per operator	Charge per tonne produced	Don't know

ApiNZ would prefer to remain with a single charge per operator for the domestic levy as there is does not appear to be a robust estimate of domestic production. The estimate of 5,000 tonnes per year of domestic consumption MPI used in Figure 27: Estimation of Levy Rates is sourced from Kathryn Reid's 2020 report for the Kellogg Rural Leadership Programme<sup>2</sup>. This report sources an article from the NZ Herald by Jane Phare which is not available without a subscription to the NZ Herald so ApiNZ was not able to determine the source of this estimate.

6.10 Would you prefer to keep the bee *export* levy as a single charge per operator, or it change to a charge per tonne for export?

<sup>2</sup> Reid K (2021) 'A proposed plan of action for meeting the immediate requirements and future expectations of the New Zealand honey industry' <https://ruralleaders.co.nz/a-proposed-plan-of-action-for-meeting-the-immediate-requirements-and-future-expectations-of-the-new-zealand-honey-industry/> downloaded on 14 February 2022

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single charge per operator	Charge per tonne produced	Don't know

6.11 If you would prefer a per tonne levy, would you prefer this be on the tonnes produced for export or the tonnes actually exported?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tonnes produced for export	Tonnes exported	Don't know

6.12 Do you know of any difficulties that might arise in implementing a charge per tonne? Are there any difficulties with the current charge per operator?

MPI has requested feedback on whether to keep the export bee levy as a single charge per operator or change to a levy per tonne. ApiNZ has been unable to find any information on how administration of a domestic or export levy would work. Therefore, in our view MPI has provided insufficient clarity about how the levy per tonne option would work for us to properly evaluate this option against the single charge. Until there is more information provided ApiNZ prefers to keep the export bee levy as a single charge.

The main problem with basing a levy on tonnes produced is the need to define when honey is 'produced'. The consultation document does not provide any clarity on when production would occur for the purposes of the levy. It only comments in section 7.5.3 that the levy will be collected when the honey is produced or exported. The consultation does not define what is meant by 'produced' – does it mean when honey is extracted, when honey is packaged for export, or when it is exported, or something else.

Section 7.5.5 and Figure 27 provide an estimate of the per tonne levy based on domestic production of 5,000 tonnes per year of \$5.20 per tonne. This section also uses the annual export volume estimates produced in the MPI's June 2021 Situation and Outlook for Primary Industries (SOPI) to produce an estimate of the per tonne levy for exports of \$60.67 per tonne.

Honey production varies considerably from year to year in the MPI Apiculture Monitoring Data (from 23,000 tonnes in 2019, to 27,000 tonnes in 2020 to 20,500 tonnes in 2021). ApiNZ is concerned that this will make it more likely that an export levy per tonne of production will substantially over or under recover costs. As the export volume tends to be more stable, over or under recovery will probably be less of a problem. However, in periods of rapid growth in volumes, such as during 2020, unless the levy was reviewed regularly, over recovery could happen quite quickly.

Care will be needed when defining when honey is produced and/or exported for the purposes of the levy. Honey is often produced by one company, sold to another who package it for export and then export it. Some companies produce their own honey and export it directly, while other companies produce their own honey but also buy in honey for other producers and export it. Honey is often stored for a year or more before being exported, especially in the case of monofloral mānuka honey.

**Issue 3:** Allocation of costs across industry

**Proposal:** To continue to not differentiate between a mānuka levy and a non-mānuka levy.

6.13 Do you agree that there is not a strong reason to have a separate mānuka levy?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agree	Disagree	No opinion

6.14 Why or why not?

The flow of mānuka honey varies from year to year. Some years a company may harvest good levels of monofloral mānuka, but in other years may only get multifloral mānuka honey or even non manuka honey even if the bees are placed on the same sites each year.

Another reason to not have a separate levy for mānuka honey is that the full set of tests to verify that the honey is monofloral mānuka honey and meets the MPI definition are often not completed until the honey is packed for export. Many companies only test their honey for the four chemical markers (3-PLA, 2'-MAP, 4-HPLA and 2-MBA) at extraction, and do not test their honey for the DNA marker until the honey is packed for export. Therefore, it is difficult to determine production of monofloral mānuka honey using the MPI definition when the honey is extracted.

**Issue 4:** Allocation of costs across time

**Proposal:** To not spread costs over a longer time period.

6.15 Do you agree that there is not a strong reason to smooth the allocation of costs over time?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Agree	Disagree	No opinion

6.16 Why or why not?

The sudden increase of the export bee levy from \$1,005.70 per operator per year to \$2,443.00 per annum is a 143 percent increase (Option1(a)). ApiNZ supports this increase being smoothed over a longer time period, as the industry did not have any warning of this sudden, large, change. As ApiNZ have said elsewhere in this submission, MPI should manage its costs more prudently and to act in a consistent and transparent way that does not add sudden costs.

**Overall**

6.17 Is there any option in Figure 29 that you prefer? If not, what overall settings would you prefer?

ApiNZ does not prefer any option in Figure 29. ApiNZ would prefer that MPI provides a more consistent and transparent approach to its cost recovery process and manages its costs prudently.

## General questions

(These questions will help us understand whether there are differences in views between operators)

6.18 Are you a domestic-only operator, or an export operator?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Domestic only operator	Export operator	Both	Neither a domestic operator nor an export operator

6.19 How much do you typically produce for domestic consumption?

ApiNZ is an industry body so does not produce any honey for either domestic consumption or for export. However, its members are made up of both domestic and export producers.

6.20 How much do you typically produce for export?

See previous answer to question 6.20.

6.21 Do you produce mānuka honey?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No	Don't know

6.22 If you answered yes, approximately how much of your production is made up of mānuka?

While ApiNZ does not produce mānuka honey it represents mānuka honey producers, from iwi to large corporate and small operators.