

## NZ HONEY STRATEGY Q & A

*What are the next steps; what is the work programme, how will progress be measured?*

As outlined in the Strategy document, the most pressing need is for the industry's leadership to become stronger, and for a preferred reinvestment model to be determined. Delivering on both these initiatives will, in the first instance, give investors' confidence that the industry is committed to its future and determined to funding measures that will enable sustainable growth for all participants. The immediate next steps then, are to consolidate the industry's leadership in a new organisation with a new governance structure and adopt a system that allows the industry to fund itself.

*Does the strategy propose a levy, who would pay for it, who would vote for it?*

The strategy indicates there is an urgent need to determine the most appropriate and workable means for the industry to fund itself. The biggest share of the industry's value currently sits with the export sector, and it is likely those who benefit most will be those required to fund industry good initiatives. Professional advice will be sought on what model is most appropriate and workable and be presented to the industry to consider. Any imposition of a regulated levy will require a vote from those who would be asked to pay it.

*What is the thinking behind advocating for a Varroa PMP?*

Most will now agree that varroa has been a huge financial, and time-consuming, drain on beekeepers in New Zealand. The costs are already significant and current efforts to manage the pest have not been as effective as hoped. The most recent Colony Loss Survey suggests beekeepers believe varroa is the suspected cause of almost half of all winter losses. The economic impact is such that a more structured approach to managing varroa is worthy of consideration, and a more collective approach could certainly be beneficial. A PMP could be an option. But that will require further discussion and consultation.

*What might the new industry body look like?*

The first step of a work programme will be to seek expert advice on what structure, based on a new funding model, will work best for our industry, We do, however, envisage a new organisation, like ApiNZ, will need to represent the full value chain including beekeepers and exporters.

*How will the proposed work programme be funded?*

ApiNZ has applied to MPI's Sustainable Food and Fibre Futures (SFFF) fund for help to start the work programme. We expect to know in the near future if our application has been successful. Any application for government funding does require industry co-funding to support it.

*How will the stated goal of doubling New Zealand export revenue be reached?*

We understand the goal is ambitious. However, there are good reasons why we believe it is achievable at this stage. Exporters are firmly of the view that the mānuka honey category remains a nascent one, with plenty of opportunity for it to grow. There is an expectation that alongside the forecast growth of the global honey market to NZ\$20 billion by 2030, the mānuka category will double to represent \$1 billion of that market. Practically, we expect the current coalition government to help our industry achieve that goal by opening up new markets. It has already signalled its intention to focus on new trade deals, and we would expect honey to benefit from greater access to new customers.

*Will continuing to sell mānuka honey be enough to achieve the stated goal?*

Mānuka honey dominates our exports – it generates 91% of all export revenue. This is unlikely to change in the near future as the majority of export company marketing is directed to growing this dominant part of the sector. The market is far from mature, and where opportunities exist to break into new markets with our premium, high value honey product they will naturally be the focus. Product innovation beyond 'honey in a jar' will inevitably emerge if willing investors decide to respond to consumer demand for new products. The stated goal, however, does not assume or depend on innovative uses of mānuka honey becoming market successes in the short term.

*The strategy is mānuka-focused; will other honeys be supported and promoted in the future?*

At the moment, mānuka honey drives the economic fortunes of the sector. It is responsible for approximately 80% of all industry revenue. The exporting of mānuka honey also sustains producers of other non-mānuka honey where it is used in the mānuka export chain. To date, there has been little appetite to invest in meaningful/scale promotion of non-mānuka honey. However, consolidating and securing mānuka honey as being uniquely from New Zealand will create a bigger stage for other unique honeys. More importantly, securing the status of mānuka honey will necessarily require supporting beekeepers producing all honey to focus on bee health and other standards associated with 'quality'. This will elevate the selling point of all our honeys.