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Proposed priority products and priority product stewardship.

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INTRODUCTION

1. Horticulture New Zealand (HortNZ) advocates for and represents the interests of New Zealand's 5,000 commercial fruit and vegetable growers. The horticulture industry is valued at over \$5.5b with over \$3.6b in exports annually (FreshFacts,2018).
2. The industry employs over 60,000 people, occupies some 130,000 ha of land and provides critical regional development opportunities in Northland, Auckland, Bay of Plenty, Hawke's Bay, Gisborne, Manawatu, Marlborough, Nelson, Canterbury and Central Otago.
3. New Zealand growers supply fresh and processed fruit and vegetables to domestic consumers, as well as exporting fresh products to discerning consumers in over 120 countries.
4. Growing food and fibre sectors in a planned and coordinated way diversifies New Zealand's primary industries and delivers sustainable economic, environmental, social and cultural benefits. As responsible employers and land stewards, horticultural growers incorporate risk based assessments in all work situations. Growers recognise that there is improvement required to reduce emissions on the environment, and support a more circular economy for any waste stream. Growers are committed to take responsibility for the life cycle impacts of their products to meet economic and sustainable goals.
5. HortNZ provides general comments and responses to the Ministry for the Environment on the proposed priority products and priority product stewardship scheme.

GENERAL CONSIDERATIONS

6. Regulated product stewardship schemes are promoted as a means to reduce waste. Currently many growers support the Agrecovery program for agrichemical containers. It is understood by Horticulture NZ that the Agrecovery scheme (Agrichemical Containers and Farm Plastic) will be one of the first voluntary recovery schemes to be accredited in to a priority product stewardship scheme. The cost to administer this scheme is likely to be incorporated into the price of the chemical / product. Most growers support the voluntary Agrecovery scheme, but would not support significant increases in the cost of chemical / plastic products to ensure their recycling potential.
7. The Agrecovery scheme reduces waste by circa 50% for agrichemical containers. It is a voluntary scheme showing improvements year on year. The most effective agrichemical schemes (Brand / Farmer regulated) in the world are achieving 90% recycling levels. These schemes are usually well supported with infrastructure to minimise the cost associated with recycling. The NZ market has limited recycling options and high freight costs. This is an economic impact that will need to be addressed if this scheme is to be effective. Horticulture NZ endorses the need for effective management of **all** farm plastics that cause issue for growers including; larger drums and non-deposit IBC's, irrigation tape/pipe, mulch films and bird netting. Therefore, Horticulture NZ supports the **'one-stop-shop'** approach led by Agrecovery.
8. A risk-based process to assess and manage environmental harmful products, with associated issues around disposal, need special attention in any managed system. Horticulture NZ agrees with the need to shift the burden of responsibility for environmentally harmful products to product designers and producers. The equation should also involve the general public. The public use the same chemicals as farmers in their gardens. While the quantity of application is different in the public domain, the health and safety hierarchy of controls for use, application and storage, are not well managed, or monitored, nor enforced. This could also be said for the recycling potential of the public. Recycling programs are severely under resourced in most regions. Chemical containers in general curb side recycling are not triple rinsed, nor are harmful substances managed for destruction, as is current practice in Agrecovery scheme.
9. Agrecovery needs a funded mandate to manage the legacy and orphan chemical issue. To remove the risk of these chemicals from the environment, it would be prudent to consider an amnesty for orphan / legacy products. Given the unknown financial and operational risk of this problem, it should be governed under a separate funding stream to general Agrecovery containers. Horticulture NZ would support a new project workstream to deal with orphan / legacy products, managed by Agrecovery.
10. Persistent Organic Pollutants (POP) do not degrade in plants, animals or the physical environment. They accumulate in the food chain, posing a long term latent health risk to humans and the eco-systems. POP chemical needs to be managed properly and carefully. This is not well understood by the public. Farmers under Growsafe certification understand the risks of agrichemicals and are trained in their use, application and storage. POP chemical are a public health warning event.
11. Horticulture New Zealand supports the need for a robust framework to enable the goals of waste minimisation to be effective. The words *regulated and co-design* are used in the consultation document. Horticulture NZ is mindful that more regulation in the primary industry means more tax. Growers are heavily taxed with general tax/Employment, GST, Road user/RFT, RMA/Rates, Levies and Biosecurity. Growers are active in the Agrecovery scheme and would not accept a tax greater than the current AgRecovery framework. Regulated schemes fee options:
 - i. Product take back
 - ii. Advance fees

iii. Deposit refund

The above regulated scheme options require administration, which comes at a cost. These schemes should also reflect the full value chain – public – primary industry – business (wholesale + manufacturer) – Iwi - Government. Each has a role to play in the effectiveness of the program and how it is funded.

12. Horticulture New Zealand supports the need for an *effective* product stewardship scheme. A co designed scheme with good Governance and management needs to ensure the following:
 - a. accreditation of a participant
 - b. understood guidelines and expectations of each party
 - c. incorporate monitoring and enforcement
13. Horticulture NZ supports the need for **all** producer, manufacturers, importers and resellers to be contributing to the cost of waste minimisation of a circular economy. Equity of any scheme is based on the 100% involvement of **all** parties in the manufacturing and supply chain.
14. Horticulture NZ understands the need for a formal gazetted approach to the terms of reference of a co-managed / regulated scheme. The guidelines would give a clear mandate for managers / participants to follow a clear and consistent rule set, backed up with enforcement on any compliance failure. Objectives and outcomes can be monitored, and benchmarks established. To hopefully track continuous improvement.

CONCLUSION

15. The Agrecovery scheme is gaining traction and acceptance in the agricultural marketplace. Growers / farmers are committed to sustainable (circular use) product options on their farms. Legacy chemicals / POP chemicals (including orphan / legacy products) are a significant threat to the public and the environment. A co-managed Agrecovery scheme to deal with POP and hazardous legacy chemicals needs to be a priority. A marketing program focused on harmful chemicals, followed by regular regional agrichemical container / farm plastic collection drives, would gain ground swell attention of the scheme.

Sustainability is currently under review in the following areas:

- i. Climate change
- ii. Water
- iii. Productive land
- iv. Soil
- v. Urban development

The above regulation speaks to sustainability and good management practice. All farms will be required to have a farm environment plan (FEP). The Agrecovery scheme should be a part of this FEP plan.

16. Farmers understand equity. There is no room for free riders in the co-managed / regulated Agrecovery scheme. A level playing field is essential.
17. The Agrecovery scheme needs to be properly resourced to be effective at removing harmful chemicals and reduce plastic waste from farms. The cost / share mechanism needs to involve all participants in the value chain, including the public. A weight average

cost share ratio based on risk / responsibility would be equitable to all. This could be supplemented with other fees:

- a. Product take back
- b. Advance fees
- c. Deposit refund

Overall, the administration of any scheme needs to be simple. A comparison administration GST, it needs to manage itself as part of general business operation, thereby minimising administration costs.

18. This submission is supported by:

- 1. Horticulture New Zealand**
- 2. NZKGI – New Zealand Kiwifruit Growers Incorporated**
- 3. VNZI – Vegetables New Zealand Inc**
- 4. Process Vegetables New Zealand**
- 5. Onions New Zealand**
- 6. Tomatoes New Zealand**
- 7. Potatoes New Zealand**

Fresh Facts (2018) Fresh Facts, New Zealand Horticulture 2018. Accessed online:

<https://www.freshfacts.co.nz/files/freshfacts-2018.pdf>

<http://www.mfe.govt.nz/consultations/priorityproducts>