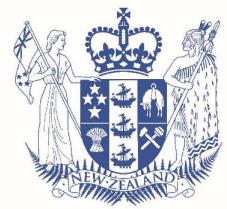


Hon Nicola Grigg

Minister of State for Trade and Investment
Minister for Women
Associate Minister of Agriculture
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Dear Colin,

Seasons greetings to you and yours!

I am writing with my final update of the year on the work the Government has underway to support the horticulture sector.

First, I would like to take a moment to reflect on the past 12 months and acknowledge several milestones achieved by the sector.

This week we celebrated the 20th anniversary of Horticulture New Zealand, an achievement that reflects the strength and resilience of the sector. Horticulture continues to deliver outstanding results. Exports reached more than \$6.4 billion in the year to 30 June 2025 and are forecast to continue increasing.

The kiwifruit industry hit \$4 billion in exports for the first time, and apples and pears surpassed \$1 billion. This success isn't just about headline numbers. This is a tremendous effort and a testament to your hard work, innovation, and perseverance. Updated numbers and forecasts will be released in the December 2025 edition of the Ministry for Primary Industries' (MPI) Situation and Outlook for Primary Industries report on 16 December.

Another significant milestone has been the release of the sector-led Aotearoa Horticulture Action Plan (AHAP) Implementation Roadmap (the Roadmap), which I was pleased to help launch at the Horticulture Conference this year. The Roadmap sets a clear path to support sector growth and ensure long-term sustainability. I look forward to seeing continued progress under the Plan, as we work together to deliver on the actions needed for sustainable growth.

I have had the privilege to meet and talk with so many of you this year, both to celebrate your successes and hear about the challenges you face. The sector is powered by talented, passionate leaders and innovators with world-class ideas, all committed to caring for the environment and delivering for consumers.

The horticulture sector has faced considerable extreme weather challenges this year, and I have seen firsthand the impact these have had on growers and communities. Flooding in the Nelson–Tasman region, prolonged periods of heavy rainfall and damaging winds across parts of the country, and ongoing variability in seasonal conditions have disrupted planting schedules, damaged crops and infrastructure, and placed additional strain on supply chains. These events have not only impacted production but have also tested the resilience of growers and the wider industry.

I want to acknowledge the significant efforts made by growers and the wider sector to adapt and recover under these conditions. Your actions reflect the sector's commitment to building resilience and protect against climate-related risks.

The Government recognises these challenges are part of a broader trend of climate variability, and we remain committed to supporting the sector's adaptation. Through actions under the Aotearoa Horticulture Action Plan, and complementary programmes focused on climate resilience and water security, we are working with you to strengthen preparedness and build long-term sustainability and continued growth. Collaboration between Government, growers, and research partners is essential in ensuring New Zealand's horticulture sector continues to thrive and deliver high-quality produce for both domestic and international markets.

Resource Management Act 1991 (RMA) Reform

This week the Government unveiled the details behind our overhaul of planning rules that will unlock economic growth and help build a stronger New Zealand.

We are replacing the RMA with two new bills; a Planning Bill and a Natural Environment Bill. We aim to have these passed into law in mid-2026, and the full system working by 2029.

This reform is expected to deliver significant benefits for horticulture growers by improving regulatory efficiency and supporting long-term sustainability.

These new rules are focused on practicality, removing unnecessary compliance barriers, and will give farmers more investment certainty. Consents will only be required for activities that have a real impact on the environment or other people. Councils, farmers and growers are encouraged to plan ahead and make decisions before problems arise, helping avoid costly fixes later.

To give people certainty through transition, any expiring RMA resource consents will be extended until at least mid-2031. This will include those that have recently expired, and a new application has been made. Consent holders will have flexibility to either apply for replacement consents under the transitional regime or wait until the new planning system is in place.

It is critical to ensure we get the balance right in the replacement Bills. I encourage industry to engage with the select committee process when it becomes live. You can find more information about the ongoing reforms on the Ministry for the Environment's website: <https://environment.govt.nz/news/government-unveils-major-overhaul-of-new-zealands-planning-system/>.

Amendments to the National Policy Statement for Highly Productive Land (NPS-HPL)

We consulted on changes to the NPS-HPL as part of the Government's commitments to reduce consenting barriers. This change is intended to support urban expansion in appropriate locations, while continuing to protect New Zealand's most agriculturally valuable land.

As part of public consultation, removing Land Use Capability 3 (LUC 3) and testing the inclusion of Special Agricultural Areas (SAAs) were proposed.

The Government is yet to make final decisions on amendments to the NPS-HPL. However, I am encouraged by the constructive feedback received during consultation and optimistic that,

together, we can achieve a balanced outcome that supports both urban development and the protection of our most productive land.

Amendments to the National Policy Statement for Freshwater Management (NPS-FM)

Work continues to update freshwater rules so they better reflect the needs of all water users and support practical solutions for growers. These include proposals to support commercial vegetable growing and crop rotation by adding a new objective into the NPS-FM to enable continued domestic supply of fresh vegetables, and to develop national standards that permit commercial vegetable growing.

Further consultation on detailed proposals will be undertaken soon and will reflect new resource management legislation. I encourage you to continue engaging with this process and submitting your feedback on the proposals.

Review of the freshwater farm plan system

Freshwater farm plans will be a key tool within the new resource management system. These will be flexible and farmer-led, helping farmers identify and manage environmental risks. In catchments under pressure, farm plans will give councils greater confidence that resources are being managed within environmental limits.

Recent changes were made to the RMA to better enable industry organisations to deliver freshwater farm plan certification and audit services. These changes are being made to better recognise the good work growers are already doing to identify and manage risks to freshwater and keep compliance costs down.

The Government will decide on freshwater farm plan regulations shortly, including further detail on certifiers and auditors, what farming activities require certification, and audit timeframes and grading.

Overall, the changes underway are designed to simplify the system for users, while still demonstrating good environmental practice. For horticulture, this means a more efficient system that removes unnecessary barriers, encourages investment, and supports environmentally responsible practices. Your input will be vital to ensure these reforms deliver the best outcomes for growers and the wider economy. With these changes, the sector is well-positioned to seize new opportunities and continue its impressive growth.

Recognised Seasonal Employer (RSE) Scheme

I understand the recent Employment Court decision in *Soapi v Pick Hawke's Bay Incorporated* has caused concern among RSE employers. Having met many of you, I know this scheme is built on good people who care about their staff while managing what can be a very challenging business.

The Ministry of Business, Innovation and Employment (MBIE) has already provided responses to some technical questions following the decision. Officials from MBIE, with support from MPI, are now considering the wider implications to ensure compliance with both the scheme and employment law remains straightforward and practical. If you have concerns about your own circumstances, I encourage you to seek independent legal advice.

Progress on the accommodation cost recovery methodology is well advanced, and Hon Erica Stanford, Minister of Immigration, hopes to make announcements soon. This will be a significant development for the sector. A review aiming to make broader improvements to the sector is expected early next year. I look forward to this work with interest. We will keep you informed as this work progresses.

While the *Soapi* decision has created some uncertainty, it also highlights the need to strengthen the RSE scheme for the future. I have been advised that officials at Ministry of Business, Innovation and Employment are actively working on guidance for growers in the coming weeks. I will ensure you are kept informed when the advice is available, which will provide you clarity for this season. Thank you for your ongoing commitment to this important programme.

With your continued input and collaboration, I am confident we can ensure the scheme remains fair, practical, and sustainable, supporting both the wellbeing of workers and the success of your businesses.

Trade and Market Access progress

New Zealand's horticulture sector is world-class, and the Government is determined to help it reach even greater heights. By opening new markets and reducing trade barriers, we can create more opportunities for growers and exporters to thrive globally. The food and fibre sector is at the forefront of the Government's goal to double the value of exports over the next ten years.

New Zealand's network of free trade agreements (FTAs) covers more than 70 percent of our global trade. I encourage you to continue making the most of the FTA opportunities, including:

- European Union (EU), which has saved exporters \$64 million in tariffs and driven a 38 percent increase in exports to \$1.17 billion in the year to June 2025;
- United Kingdom (UK), provided immediate benefits and almost all horticultural products now entering the UK duty-free;
- The Comprehensive Economic Partnership with the United Arab Emirates, which eliminated 98.5 percent of tariffs on entry into force on 28 August 2025; and
- Gulf Cooperation Council (GCC) agreement which will deliver duty-free access for 99 percent of exports within ten years and remove tariffs on 51 percent of shipments immediately.

We are also working hard to deliver a FTA with India and expect to announce a deal that will open market opportunities and help our sectors to trade into one of the world's fastest-growing economies.

I know the additional tariffs introduced by the United States (US) earlier this year (ten percent in April and 15 percent in August) created uncertainty for many of our exporters. These tariffs have recently been removed on several horticultural products, including kiwifruit, berries, and avocados. This restores New Zealand's pre-April access and saves exporters an estimated \$330 million. While several tariffs remain, this partial rollback is a positive step toward stabilising trade with one of our most important markets.

We are also continuing to work hard to resolve or reduce non-tariff barriers and improve trade access. Some specific examples include:

- removing light brown apple moth from the quarantine pest list for New Zealand apple exports to the US;

- extending New Zealand's Country Recognition Agreement with Indonesia for another three years; and
- securing new access for kiwifruit (Peru), apples (Egypt), and blueberries (Korea), and reinstating access for kiwiberry to China.

MPI is preparing for in-country audits by overseas trading partners across key horticultural commodities, including blueberries, brassica, and apples. These audits are vital in demonstrating New Zealand's robust assurance and pest management systems, protecting market access, strengthening trade relationships, and reinforcing international confidence in our exports to ensure trade continues to flow for New Zealand growers.

Together, we have an opportunity to shape the future of New Zealand's horticulture industry. By breaking down barriers and opening new markets, we can create more opportunities for growth, and investment, and ensure the sector's long-term success.

Gene Technology Bill Process

The Government is taking bold steps to modernise New Zealand's gene technology laws to align our regulations with scientific and technological advancements, enabling safe, responsible use of innovation that can help transform our food and fibre sector.

This will replace the current regulation of gene technology in the Hazardous Substances and New Organisms Act 1996 and introduce a risk-proportionate regime. We will also establish a gene technology regulator.

Under the modernised regime, lower-risk activities will be easier to undertake, while higher-risk activities will remain subject to strong safeguards.

These changes will help New Zealand businesses innovate and compete internationally. The food and fibre sector stands to benefit through:

- developing products for new consumer markets;
- breeding more resilient and sustainable varieties;
- adopting technologies to reduce greenhouse gas emissions; and
- improving competitiveness in global markets.

The Bill is progressing through Parliament. The Health Committee considered the Bill on 10 October 2025, and we have its report. Remaining readings and enactment are expected in the first half of 2026.

Key agencies are working together to implement guidance and tools to support a smooth transition to the new gene technology regime and establish the regulator. MPI is leading work to determine how official assurances are to be adapted or updated under the new regime.

The Government is committed to ensuring these changes support jobs, rural communities, and export growth, while protecting the natural environment and our current systems for food and fibre production.

Biosecurity updates

Biosecurity vigilance remains vital for horticulture. Biosecurity New Zealand has escalated its response to the detection of yellow-legged hornets on Auckland's North Shore. This invasive species poses a threat to honeybee populations, essential for pollination. Overseas, established hornet populations have caused hive losses of up to 80 percent, with significant economic and ecological impacts.

MPI has so far removed over 30 queen hornets and 20 nests, deployed over 650 traps, and conducted thousands of property searches. Advanced tracking technology and targeted baiting are being introduced to strengthen eradication efforts.

Public reporting remains our most powerful tool. If you or someone you know suspect a hornet or nest, do not disturb it. Instead, report sightings online at report.mpi.govt.nz or call 0800 80 99 66. Clear photos or specimens are especially helpful. Your vigilance can make the difference in preventing this pest from becoming established. For further information, visit the MPI website: <https://www.mpi.govt.nz/biosecurity/exotic-pests-and-diseases-in-new-zealand/active-biosecurity-responses-to-pests-and-diseases/yellow-legged-hornet-sightings-in-auckland-in-2025>.

It is important that we continue building relationships and working together to prepare for exotic pests and diseases under the Government Industry Agreement for Readiness and Response (GIA). The benefit of a successful partnership was evident in the two responses to Oriental fruit fly earlier in Auckland this year. Overall, the GIA has improved our level of preparedness to respond to a number of threats to our primary sector.

Together, through proactive engagement and strong biosecurity measures, we can protect New Zealand's horticulture sector and the ecosystems it depends on.

Your achievements and perseverance over the past year have been remarkable. The sector's growth, leadership, and contribution to New Zealand's economy are something to be proud of. Please take a moment to celebrate and reflect on the progress you've made this year – it is well deserved.

The Government remains fully committed to the horticulture sector's success, and we will continue to work hard to deliver for you.

Thank you once again for your commitment to New Zealand growers, rural communities and our economy.

Wishing you a very Merry Christmas and a safe, happy new year.

Yours sincerely,



Hon Nicola Grigg
Associate Minister of Agriculture