

**ONIONS NEW ZEALAND**

# Commodity Levy Proposal 2024



# The levy voting process

The Board of Onions New Zealand is seeking your feedback on what is proposed for the onion commodity levy.

The ballot paper and vote on whether to continue funding Onions New Zealand will take place May – June 2024. We are proposing no changes to the maximum levy rate, the way the levy is calculated, who is responsible for paying the levy. We are proposing minor changes to the wording of the activities.

## Summary as follows *(bold font are proposed changes)*

- Maximum levy rate maintained at \$4/tonne of onions
- Proposing to maintain the current levy calculation method, based on volume sold.
- Activities are:
  -  Research & development
  -  Market access, **development, food safety activities & market** intelligence
  -  Communication
  -  Grower representation **and advocacy**
  -  Biosecurity activities
  -  Day-to-day administration of Onions New Zealand
  -  Domestic promotion
- ONZ must not spend levy money on commercial or trading activities.





# Commodity Levy Renewal Process

We are currently seeking growers feedback on what's proposed.



The vote will be carried out on both a 'one grower one vote' and a 'volume of production' weighted basis.

For the referendum to be successful, Onions New Zealand must receive a minimum 'yes' vote by 50% of growers who vote AND those growers who have voted, must represent more than half of the volume of onion crop during the preceding 12 months.

If the levy order is supported by growers, Onions New Zealand will apply to the Minister of Agriculture for a new Commodity Levy Order. If growers do not support the levy order, Onions New Zealand will have no secure funding beyond March 2025 and would not be able to continue to operate.

## Providing feedback

Onions New Zealand is seeking your feedback on the proposal. Please feel contact James Kuperus (027 555 0072, [James.Kuperus@onionsnz.com](mailto:James.Kuperus@onionsnz.com)) or contact one of the Board members.

**Feedback is due by Friday 3 May 2024.**

# Key Highlights from the Last Five Years



## Market Access

**Thailand – May 2022:** Market access was granted for New Zealand onions in May 2022. This involved pushing for the tariff to be rightfully removed and then associated fishhooks (only for processed onions etc.) to be removed as well.

**Papua New Guinea - June 2019:** Onions grown in and around Auckland were temporarily unable to be exported to Papua New Guinea due to the fruit fly finds in Auckland. Onions New Zealand worked alongside MPI to re-establish trade with these partners based on the information that onions are not a host of fruit fly.

**China:** New Zealand onions are being worked on for phytosanitary market access. Onions New Zealand has led two exporter visits to China and signed an MoU with the Importers/ Exporters association to work on market access for New Zealand onions.

**EU/UK FTAs:** The tariff on New Zealand onions has been eliminated under both the EU and UK Free Trade Agreements.

**Europe Dispensation - 2020:** Successful dispensation granted allowing for the development of pre-approved sampling procedure for the phytosanitary inspection of bulk 1-1.2 Tonne bulk bags for new EU phytosanitary requirements.

### Waste Stream

**Analysis:** Completed research on waste streams and possible value add proposition for onion waste as part of Humble to Hero project.

**The Philippines:** Work continues to regain market access to the Philippines. We appear to be in the final stages of reinstating trade.

**Myanmar - Dec 2018:** Phytosanitary market access is granted for New Zealand onions.

**Residue Programme:** In 2021, Onions New Zealand introduced the residue and heavy metals testing programme. This data is primarily used to support market access. Two substantial pieces have been to support the reinstatement of trade with the Philippines and Indonesia Country Recognition Agreement.

**Other Market Access Concerns:** Onions New Zealand maintains an active market access programme around the sizing regulation (Indonesia), labelling issues, pest interceptions in markets including current work on what's required for maintaining market access to Fiji.

**Nutrition Analysis:** Completed research into nutrition profile of NZ onions compared to key competitors as part of Humble to Hero project.

**Shipping Best Practice:** Completed best practice guidance for shipping as part of Humble to Hero project.







## Indonesia in Focus

One of Onions New Zealand's primary roles is to support activities to maintain market access to Indonesia. Over time as our exports have increased in value, so has the risk and the involvement from Onions New Zealand. We are now active in direct Government Relations with Indonesian officials, have good-will projects underway in Indonesia and have a more acute awareness of the dynamics at play.

### The primary issues/achievements are as follows:

- **Import Permits:** Onions New Zealand has supported work on the issuance of import permits/ quota in a timely manner. Years where there have been holdups are as follows: 2018 (July Issuance), 2019, and 2024.
- **MoU and Development:** Onions New Zealand signed a memorandum of understanding with the Indonesian Ministry of Agriculture in 2023.
- **Fumigation:** Introduced December 2023. We continue to work on this issue. At the time of writing, we have maintained pressure on Indonesian and NZ officials to address this issue. We've successfully agreed lower fumigation temperatures directly with Indonesian officials, run trials on the effects of the level of concentrate, and engaged with Ministers on the topic. It has also been agreed that Indonesia will prioritise amending the regulation, which is impacting the onion sector, a great result for our sector.
- **Delegations to NZ:** Onions New Zealand supports the visits of officials and delegations to New Zealand. We've had visits from Ministry of Agriculture, Trade, and Regional Governments to New Zealand.

## Research

### CROP PROTECTION

Onions New Zealand's research portfolio is primarily around crop protection and environmental research.

- **Stemphylium:** Advice in 2018, including DNA sequencing to better understand the strain present in New Zealand.
- **Downy Mildew:** over 2019/2020 Onions New Zealand conducted lab resistance screening for downy mildew and then in field control screening.
- **Disease Models:** Onions New Zealand has supported the development of disease risk models and extension of weather stations.
- **No Mancozeb:** With the removal of mancozeb in the EU, Onions New Zealand led some trials to demonstrate it is still possible to grow onions without mancozeb.
- **Demonstration Farm:** Over the last four years, Onions New Zealand has supported the demonstration farm at Balle Bros/ Plant and Food Research in Pukekohe. The site has provided a neutral area to undertake projects such as the biodiversity project, nil mancozeb demonstration, variable nitrogen trial, lettuce IPM etc.
- **Agrichemicals Being Phased Out:** Improved reporting on products being de-registered in New Zealand and in key export markets.



## Research

### ENVIRONMENTAL

- **Silicon fertiliser:** looking into how to reduce cadmium uptake.
- **Scholarships:** Onions New Zealand has been awarding scholarships to students who have areas of focus which benefit onion growers. Some of these topics have included endophytes for onions, soil carbon and underlying adaptive traits of onions for onion bulbing and bolting.
- **Fluxmeters:** A network of fluxmeters on arable and vegetable farms to measure drainage and nutrient losses under cropping rotations.
- **'Nitrogen Quick Test'** Lead by Plant and Food Research and managed by FAR, this project developed a simple test for growers to quickly measure soil nitrate levels.
- **Don't Muddy the Waters:** This project developed monitoring methods for sediment control.
- **High Carbon Boiler Ash:** This joint project with Massey and Lincoln Universities investigated the benefits of using HCBA Biochar for improving onion yield, skin quality and soil health.
- **Sustainable Vegetable Systems:** This project continues to collect and develop models on nutrient requirements and nitrate leaching.



## Industry Leadership

**Grower and Exporter Forums:** Onions New Zealand frequently holds grower and exporter forums to update members of latest findings and where we are at on various projects.

**Biosecurity:** Fortunately for Onions New Zealand we have not had any material incursions. Our efforts have been in developing plans for our most unwanted organisms (delia antiqua etc.), responding to smaller incursions and developing our own internal systems. The latest development has been the appointment of a biosecurity manager through Horticulture Executive Services with other product groups.

**Covid-19:** Onions New Zealand's role was primarily around maintaining the right to continue operating and exporting, as well as clarifying some of the requirements.

**Cyclone Gabrielle:** Onions New Zealand's role was primarily around food safety concerns.

**Vegetables.co.nz:** Onions New Zealand continues to support Vegetables.co.nz, a brand established to promote the consumption of vegetables. Through the vehicle of vegetables.co.nz, we are working with agencies such as 5+ A Day to promote vegetables and increase their consumption. We are a major contributor to the Food Skills for Life programme, which provides teaching resources on vegetables for school children in Year 7 and Year 8.





## Advocacy and Government Relations

Onions New Zealand maintains a strong brand in Wellington to support our advocacy activities for onions.

**Some of the key areas Onions New Zealand has been active in is:**

- **Access to crop protection products:** Onions New Zealand has been active in this space, written submissions on the HSNO amendment bill, and presented at the Select Committee on this. We also publish reports on products being phased out to give members good awareness of what's being phased out. We also submit on products being phased out (to support ongoing use) and on proposals for new actives.
- **Upskilling Government Officials:** Onions New Zealand takes busloads of officials around to visit growers and the wider vegetable sector. We have repeated these over the years which has led to much better understanding of the sector.



- **Market Access:** Onions New Zealand advocates for improved market access. We submit of Free Trade Agreements, support the development of Government market access strategies and attend the Plant Market Access Council on behalf of the sector.
- **Ministerial Engagement:** We actively engage with Ministers across the political spectrum. This includes recently taking Andrew Hoggard around Pukekohe just before the recent election. Leading up to the EU Bil being introduced to Parliament, we engaged with Ministers from all major political parties to push for timely implementation.
- **Parliamentary Event:** Onions New Zealand acknowledges that we need to be active across all levels of Government. In 2023, we held our inaugural parliamentary event, highlighting the sector to officials and Ministers across the spectrum.

# Looking Ahead

Onions New Zealand has a clear strategy and direction. We will continue to lead certain activities such as market access, facilitate activities such as research, and encourage activities such as onion breeding. The draft Onions New Zealand strategy follows:



Peak body representing New Zealand onion growers and exporters.

## Onions New Zealand Strategy 2024

DRAFT

Vision	Purpose	Mission
Sustainable growth and profitability for onion growers and exporters	To undertake industry good activities to increase the profitability and long term viability of the New Zealand onion sector	Onions New Zealand will lead, facilitate, and encourage activities that support the industry priorities

### The Four Pillars of Work

**Optimising Value**

To optimise market value by supporting market access, value-add propositions, and domestic representation

- Lead:** Defend and diversify market access
- Lead:** To support required assurances for continued market access
- Facilitate:** Diversification of the New Zealand onion brand and product
- Facilitate:** Building the domestic market

**Research and Extension**

To support continued sustainable growing practices that are profitable

- Lead:** Extension activities to growers
- Facilitate:** Research towards pest and disease management
- Facilitate:** Research towards more sustainable growing practice
- Encourage:** Onion breeding research and trials

**Industry Leadership**

To provide leadership on sector advocacy, risk mitigation and thought leadership that enables the industry to prosper

- Lead:** Biosecurity coordination and response
- Lead:** Defend and enhance onion sector reputation
- Facilitate:** Advocacy for smart regulation and policy
- Facilitate:** Pan-sector collaboration

**Industry Communication**

To be a trusted source of information, with accurate communications and tools for members

- Lead:** Providing essential communications to members
- Lead:** Onion sector government relations
- Lead:** Industry database and information systems
- Facilitate:** Wider industry engagement

Lead	Facilitate	Encourage
Core Onions New Zealand activity, Generally speaking, hard for any one commercial entity to get a return on investment or undertake on their own. Lead activities should be clear where Onions New Zealand is operating.	These are areas where Onions New Zealand needs to work with commercial entities to reach the desired outcome. Onions New Zealand will make investments in this space, but likely to not be the only investor in this space, and it is about facilitating the activities.	These are areas where Onions New Zealand recognizes they are important, but outside of our remit. We encourage the activity and will put limited resources towards the activity.