



# Seed + Grain

## Readiness & Response

### Updated Notification of Biosecurity (Response—Arable Crops Levy) Order 2023 levy rates

28 March, 2024

Dear Stakeholder,

Seed and Grain Readiness and Response Incorporated (SGRR) is the biosecurity entity for the arable sector. It was established in 2020 between partners Federated Farmers Arable Industry Group, United Wheat Growers of New Zealand, Foundation for Arable Research, New Zealand Flour Millers' Association and New Zealand Grain and Seed Trade Association.

The purpose of this letter is to remind you that the Seed and Grain Readiness and Response (SGRR) board has set the levy rates for the 2024 calendar year.

The collection period for the levy will apply to transactions occurring on or after 1<sup>st</sup> April 2024. First payments will be due on 20<sup>th</sup> May 2024. The costs shall be shared between industry and growers as outlined in the New Zealand Gazette: <https://gazette.govt.nz/notice/id/2024-gs1072>

1. **Arable Crops Biosecurity Levy** set at a rate of 0.1% on all harvested seed or grain (except maize) – shared equally between growers (0.05%) and merchant or processor (0.05%).

2. **Maize Biosecurity Levy** set at a rate of \$0.25 per 10,000 seeds on hybrid seed sales – shared between the seed company (\$0.0625), seed merchant or distributor (\$0.0625) and the maize grower (\$0.125). In the case of direct sales from the seed company to the grower, the seed company will collect the levy due from the grower (\$0.125 per 10,000 seeds) and pay the levy of the seed company plus seed merchant or distributor (\$0.125) – a total of \$0.25 per 10,000 seeds.

### Background - Biosecurity (Response—Arable Crops Levy) Order 2023

During 2018 and 2019 a total of 12 consultation meeting events were performed across the country, allowing stakeholders to raise any questions and vote on the key topics presented. Of those that attended these meetings 92.4% voted in favour of initiating a biosecurity Levy Order to fund biosecurity responses.

In 2023 SGRR applied for the introduction of a Biosecurity Levy for funding readiness and response activities. This levy was approved by the Cabinet in July 2023 and set initially set at zero, with a maximum (cap) of 1% on the first transaction of products identified for recovery. The levy will be payable at the first point of sale as per clause 4 of the Biosecurity (Response—Arable Crops Levy) Order 2023 levy.

Since its establishment, SGRR has become involved in three responses; Pepino Mosaic Virus -April 2021, Black Grass – December 2021 and Fall armyworm – March 2022.

Under the Government Industry Agreement, SGRR is obligated to share the costs of the responses with MPI and other affected sector organisations and build minimum reserves to face future incursions. Our known share in the responses carried out so far is \$562,061 + GST with further share of costs for the ongoing black grass response depending largely on progress made towards eradication.

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## What is the Biosecurity Levy Order?

The Biosecurity (Response—Arable Crops Levy) Order 2023 is an order that imposes a levy on certain transactions involving arable crops. It came into force on 1 July 2023 and is administered by the Ministry for Primary Industries.

The concept of the "arable levy order" is a regulatory mechanism that imposes a mandatory financial charge, known as a levy, on certain transactions within the arable crops industry. It is a means of raising funds from stakeholders, such as growers, processors, and distributors, for specific biosecurity purposes related to the industry, particularly biosecurity response.

To SGRR, the levy ensures commitments to response activities under the GIA for Biosecurity Readiness and Response deed signed by SGRR on 23 March 2020 and any operational agreements of a similar nature made between the Director-General and SGRR are met.

The Biosecurity (Response—Arable Crops Levy) Order 2023 levy can be viewed on the Government New Zealand Legislation website

[Biosecurity \(Response—Arable Crops Levy\) Order 2023 \(SL 2023/78\) Contents – New Zealand Legislation](#)

## How to pay the Arable Biosecurity Levy?

We are simplifying the process by enabling merchants to access the portal where the Arable Commodities levy and the United Wheat Growers levy are currently paid. This will be active before 20<sup>th</sup> May 2024, and merchants will receive clear instructions before 30<sup>th</sup> April 2024 on how to access the portal and make the payments.

Please do not hesitate to contact me if you have any queries on the matter.

Sincerely



Ivan Lawrie

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