

SUBMISSION ON

Draft ACVM Requirements & Guidance for Agricultural Chemical Registration

8 December 2023

To: ACVM, MPI

Name of Submitters: Horticulture New Zealand &
supporting horticulture associations

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OVERVIEW

Submission structure

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Our submission

Horticulture New Zealand (HortNZ) thanks MPI's ACVM team for the opportunity to submit on the draft ACVM requirements and guidance for agricultural chemical registration and welcomes any opportunity to continue to work with ACVM in this area, including discussing our submission.

HortNZ is grateful to ACVM for allowing an extension to the original deadline. This is a critical document as the processes in place required for registration of crop protection products has a significant impact on growers. It's important to make sure these processes are fit for purpose in today's world.

This submission is supported by:

- Horticulture Canterbury Growers Society
- Kiwi Vine Health Incorporated
- New Zealand Apple & Pears Incorporated
- New Zealand Avocado
- New Zealand Passionfruit Growers Association
- New Zealand Tamarillo Growers Association
- Onions New Zealand
- Persimmon Industry Council
- Potatoes New Zealand Incorporated
- Pukekohe Vegetable Growers Association Incorporated
- Tararua Growers Association
- Vegetables New Zealand
- Zespri International Limited

HortNZ's Role

Background to HortNZ

HortNZ represents the interests of over 4,200 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruit and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain; and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers thrive. This is done through enabling, promoting, and advocating for growers in New Zealand.



Submission

1. Summary

1. HortNZ supports the submission made by Animal and Plant Health New Zealand in relation to this consultation.

In addition to this:

2. HortNZ requests that ACVM refines the mandatory requirements for registration in the proposed standard so that the New Zealand registration process is aligned with those of our international trading partners.
3. HortNZ urges ACVM to consider the impacts of their decisions and requirements upon the end users of crop protection products, the people who grow New Zealand's fruits and vegetables.
4. HortNZ wishes to stress to ACVM that if it is overly challenging for crop protection companies to register new products in (what is for them) a very small market, then New Zealand's horticulture growers will not have access to a complete suite of crop protection tools and their ability to grow fruit and vegetables in this country will be at risk.

2. Supporting information

a. Registering new crop protection products is important for horticulture and for New Zealand

5. Crop protection products are critical tools for growing fruit and vegetables.
6. Access to modern crop protection products is important to New Zealand's economy and food supply.

i) Research and evidence

The July 2019 New Zealand Institute of Economic Research (NZIER) report *The Importance of Crop Protection Products for The New Zealand Economy* highlights the importance of the crop protection industry to New Zealand¹. **Without crop protection products (CPPs), NZIER estimated that New Zealand's economy would lose approximately \$5 billion per year.**

¹ <http://agcarm.co.nz/wp-content/uploads/2019/08/NZIER-Report.pdf>

Similarly in Australia, the February 2018 report by Deloitte Access Economics found 73% of the total value of crop production was attributable to CPP use (AUS\$20.6 billion of AUS\$28.2 billion)².

The additional production value from CPPs leads to benefits for consumers. A report on the contribution of crop protection products to the United States economy by Mark Goodwin Consulting Ltd. found that conventional crop protection products provide a 47.92% savings in overall grocery bills for a family of four³.

ii) The Aotearoa Horticulture Action Plan

The Aotearoa Horticulture Action Plan⁴ (AHAP) was developed in partnership by industry, government, Māori, and research providers. It was released in February 2023. The plan sets out a shared vision for horticulture in 2035 and an action plan that the four partners can follow to collaboratively achieve this.

One of the AHAP's five key outcome areas is for the horticulture industry to grow sustainably over the next decade. Within this, **Key Priority 1.3 acknowledges the current struggle that New Zealand growers have accessing the crop protection tools to control pests, diseases, and weeds available to growers in other countries.**

The vision of the future that has been developed is that government, industry, Māori, and researchers work together to ensure that our growers are enabled to use the right crop protection tools at the right time and in the right way.

b. New Zealand's horticulture industries are transitioning to Integrated Pest Management

7. Taking a forward-thinking approach to pest management is critical to reduce the routine application of broad-spectrum crop protection products.

i) Benefits of IPM

New Zealand's horticulture sector is proud to be among the most innovative and forward-thinking horticulture sectors in the world. Government-industry initiatives, such as the Lighter Touch Programme, are assisting the sector to reduce its use of CPPs by moving away from routine chemical applications and developing integrated pest management (IPM) systems.

DECREASED FREQUENCY OF CHEMICAL CPP APPLICATION TO CROPS

Under an IPM approach, the grower typically integrates cultural and physical pest control methods with close monitoring of crops for early signs of pests or diseases and the judicious use of biocontrol organisms, where appropriate. This reserves the use of chemical CPPs for those circumstances when all other pest control efforts have not been sufficient, such as a large fly-in of aphids or whitefly from the surrounding area.

²www.croplife.org.au/wp-content/uploads/2018/04/Deloitte-Access-Economics-Economic-Activity-Attributable-to-Crop-Protection-Products_web.pdf

³<https://191hmt1pr08amfq62276etw2-wpengine.netdna-ssl.com/wp-content/uploads/2015/08/CLA-Socio-Economic-Report.pdf>

⁴ [Aotearoa Horticulture Action Plan | Horticulture New Zealand – Ahumāra Kai Aotearoa \(hortnz.co.nz\)](https://hortnz.co.nz/aotearoa-horticulture-action-plan)

DECREASED DEVELOPMENT OF PESTS THAT ARE RESISTANT TO CHEMICAL CPPS

Using an IPM approach enables growers to move away from the routine application of broad-spectrum CPPs to their crops, which is important to manage pest resistance to current CPPs and to delay the development of resistance to new CPPs.

DECREASED RISKS TO HUMAN AND ENVIRONMENTAL HEALTH

Newer CPPs pose decreased risks to human health, non-target organisms and the environment. These newer active ingredients and formulation types tend to be “softer” chemistry. This means they are more targeted to individual organisms, have lower hazard classifications, and/or require decreased application frequencies and rates.

c. ACVM has an important role in supporting New Zealand’s horticulture sector to be future-fit

8. Across the world, the older broad-spectrum CPPs are being withdrawn along with their MRLs, and the rate of deregistration is increasing.
9. In New Zealand, the rate at which softer chemistry CPPs are being registered is far slower than the deregistration rate.
10. New Zealand growers are being left without the CPP tools they require to grow our nation’s fruit and vegetables and to support the country’s economic wellbeing via the production of high-quality exports.
11. Ensuring that ACVM’s requirements and guidance for agrichemical registration are clear, consistent, practical, and internationally comparable will help to improve our growers’ access to newer, softer CPPs.
12. HortNZ requests that ACVM revise the requirements under the standard to align with international standards.

The success of transitioning to a more mainstream IPM approach to horticulture relies upon our growers having access to a suite of narrower-spectrum, more targeted, softer actives.

There are modern CPPs that could be introduced into New Zealand to replace older chemistry CPPs. However, the regulatory environment needs to be conducive to support this to happen.

i) New Zealand is a small country growing minor crops

Unfortunately for New Zealand, from a global perspective, our horticulture industries are comprised of small numbers of growers producing “minor” crops. Taken together, this means that New Zealand represents far less than 1% of the global market in CPPs. This means **the economic viability of registering CPPs in New Zealand is marginal for the manufacturing companies**. To compound this, as the spectrum of activity of each product narrows, the size of the markets for each product will also decrease and the economic returns to the CPP companies will diminish further.

If, on top of this, the process of applying to register new CPPs is onerous, expensive, and/or takes far too long, then crop protection companies may not choose to invest funds and time trying to register CPPs here.

ii) Current regulatory barriers are leading to perverse outcomes

For example, an unintended consequence of imposing unnecessarily high regulatory barriers to registering newer chemistry CPPs is that New Zealand's growers are being forced to continue using the older chemistry products because that is all that is available to them.

The inability of New Zealand growers to access the softer chemistry CPPs available to growers in other countries, has multiple adverse consequences:

- Growers are forced to continue using older chemistry CPPs that are more likely to pose risks to human and environmental health because it's taking so long for New Zealand regulators to assess the safety etc of the newer products.
- The transition to IPM is impeded because the older chemistry insecticides are less compatible with this approach as they indiscriminately kill pests and beneficial insects.
- Export markets are likely to be lost as countries that have already transitioned to newer CPPs decrease, and perhaps even remove, the Maximum Residue Limits for older CPPs that they'll accept in imported produce.
- Relationships with export markets are already being eroded as overseas supermarkets increase the pressure for their suppliers to be using sustainable practices. Unfortunately, our international competitors are able to start using newer CPP actives years before the same products are registered in New Zealand.
- As the global and national availability of older chemistry dwindles, New Zealand's growers could ultimately be left without necessary crop protection tools, which would increase their risks of losing crops to pests and diseases and ultimately put them out of business.
- A lack of available CPP tools will also inflate the risks associated with biosecurity incursions of unwanted organisms. Whether the decision is made to attempt eradication, or try to control the spread of the organism, or to adapt and live with it, the ability to do any of these things will be seriously undermined without having effective CPP tools available.

iii) It is vitally important to align New Zealand's CPP registration requirements with international requirements

13. HortNZ is concerned that ACVM's proposed standard contains a far greater number of mandatory requirements than equivalent standards in other countries

For all the reasons given above, HortNZ question why the mandatory requirements set out in ACVM's proposed standard are greater in number than the requirements of other countries.

As an example, ACVM's labelling requirements includes 16 mandatory requirements. This is notably more than the six mandatory labelling requirements in Japan and the nine mandatory labelling requirements in the USA. Imposing excessive requirements for a label in New Zealand would force a manufacturer to spend more time and money creating a unique label for a very small market. Why would they bother?

On top of this, the practical implications of requiring more and more information to be included on a label is that the font gets smaller, the packaging required increases, the label is more crowded, and there is a real risk that the key information on safety and usage becomes harder to ascertain. This would constitute another perverse outcome for human and environmental health.

d. Please take a continuous improvement approach to refining CPP registration requirements

HortNZ thanks ACVM for ensuring the risks outlined in the ACVM Act are managed. However, we urge you to be aware of the scale of regulatory barriers being imposed upon New Zealand's horticulture sector and constantly strive to improve, refine, and internationally align your requirements and processes appropriately. In this way, the work you do will support New Zealand's growers to keep producing the high quality, delicious fruit and vegetables that are enjoyed here and overseas.