SUBMISSION ON

Proposed Group Standard for Treated Seed

31 March 2025

To: Environmental Protection Authority
Name of Submitter: Horticulture New Zealand

Contact for Service:

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Horticulture™ New Zealand
Ahumāra Kai Aotearoa

OVERVIEW

Submission structure

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Our submission

Horticulture New Zealand (HortNZ) thanks EPA for the opportunity to submit on "Proposed group standard for treated seed" and welcomes any opportunity to continue to work with EPA and to discuss our submission.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

This submission is supported by:

Vegetables New Zealand

Tomatoes New Zealand

Onion New Zealand

Submission Form

What is your view on what is proposed in the application form?

The group standard is proposed based on overestimated risks from treated seed. The proposed group standard in its current form poses risks of over-regulation, restricting growers/farmers' access to some valuable but low risk treated seeds, hindering innovation and productivity.

The reasons for making our submission are:

The current proposed group standard will have adverse effects on vegetable growers without delivering commensurate environmental or health benefits.

I wish for the EPA to make the following decision:

Horticulture New Zealand urges the EPA to expand the scope of the proposed group standard to include imported seeds treated with active ingredients approved by EPA's recognised international regulators (Australia, Canada, the EU, the UK, and the USA).

All submissions are taken into account by the decision makers. In addition, please indicate whether or not you also wish to speak at a hearing if one is held.

☒ I wish to be heard in support of my submission (this means that you can present your submission to the DMC at the hearing but does not allow you to introduce new information at the hearing)

☐ I do not wish to be heard in support of my submission (this means that you cannot speak at the hearing)

If neither box is ticked, it will be assumed you do not want to appear at a hearing.

PART 1

HortNZ's Role

Background to HortNZ

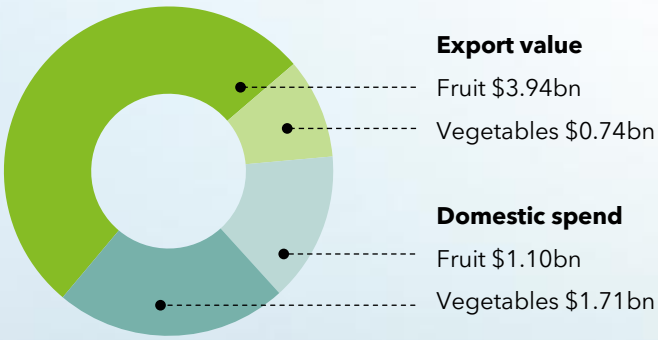
HortNZ represents the interests of approximately 4,200 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

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 prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value $7.48bn

Total exports $4.67bn

Total domestic $2.81bn

Source: Stats NZ and MPI

HortNZ's involvement with crop protection regulation

On behalf of its grower members HortNZ works to help ensure that the regulatory settings and services that affect the availability and affordability of crop protection products in New Zealand are appropriate, workable, and cost-effective.

PART 2

Executive Summary

Horticulture New Zealand (HortNZ) appreciates the Environmental Protection Authority's (EPA) initiative to address potential risks associated with treated seeds. We generally welcome group standards as they improve efficiency and effectiveness for both the EPA and industry.

However, we have significant concerns that the proposed group standard for treated seed in its current form may introduce unnecessary regulatory burdens without delivering commensurate environmental or health benefits.

Our Key Concerns over the Current Form of the Proposed Group Standards are-

1. **Overestimation of Risks**: The EPA's assumptions regarding the risks associated with treated seeds, particularly imports, are not substantiated by empirical data. Currently, all active ingredients used to treat seeds by Seed and Grain NZ members are either approved by the EPA or EPA's recognised international regulatory bodies (Australia, Canada, the EU, the UK, and the US), which have rigorous assessment processes.
2. **Over-Regulation and Compliance Costs**: The proposed group standard duplicates existing regulatory frameworks such as HS Notices, WorkSafe and MPI-ACVM regulations. Regulatory duplication creates redundancy and confusion, and imposes unnecessary compliance costs on importers, growers, and researchers, which will disproportionately affect smaller-scale operators.
3. **Restricted Access to Treated Seeds**: The proposed group standard would limit the access of growers/farmers to valuable seed treated with active ingredients that are recognised as safe by trusted international regulators but have not gone through the approval process in New Zealand. This could have unintended consequences on productivity and hinder innovation.
4. **Misalignment with Government Policy**: The EPA's proposed group standard conflicts with the government's push to reduce regulatory burdens and boost innovation. Ministers have emphasized streamlining approvals and cutting red tape, yet the EPA's cost-benefit analysis overlooks the economic impact on growers, particularly smaller-scale operators. The risks of this are that innovation, productivity, and competitiveness could be adversely affected. Therefore, we urge EPA to align with government policy.
5. **Lack of Future-Proofing**: The proposed framework does not account for advancements in seed treatment technologies, potentially stifling innovation in sustainable agricultural practices.

Our Proposed Alternative Approach is –

HortNZ recommends expanding the scope of the proposed group standard to include imported seeds treated with active ingredients that have been approved by EPA-recognised international regulators. Because,

- This approach aligns with the Hazardous Substances and New Organisms (HSNO) Act 1996, particularly Part 6 Section 96A, ensuring that risks of group of hazardous substances (whether these are subject to Part 5 or **not**) that have similar circumstances of use can be effectively managed under the proposed regulatory conditions.
    - Active ingredients approved by EPA's trusted international regulators undergo stringent evaluations, ensuring their risks are low and manageable.

- The EPA proposed conditions are broad enough to mitigate potential risks, meaning they should apply equally to seeds treated with active ingredients that have been approved by EPA's recognised international regulators.

- This approach reduces administrative and assessment burdens on the EPA by leveraging existing international risk assessments. It will alleviate resource constraints, improve regulatory efficiency.
- As this approach aligns with multiple recommendations from the Ministry of Regulation's Agricultural and Horticultural Products Regulatory Review, adopting it would demonstrate that EPA is actively implementing those recommendations. The recommendations of most relevance are:
  - Recommendation 7 – EPA should maximise its use of risk assessments conducted by international regulators.
  - Recommendation 5 – EPA should increase the use and better design of group standards.
  - Recommendation 8 – EPA should prioritise engagement at an international level to support harmonisation of requirements.

HortNZ urges the EPA to refine the proposed group standard to prevent unnecessary regulatory duplication, unintended restrictions on trade, and NZ access to valuable seeds. By incorporating seeds treated with active ingredients that are approved by the EPA's recognised international regulators within the standard's scope, the EPA can uphold its commitment to effective risk management while supporting industry innovation, productivity, and competitiveness.

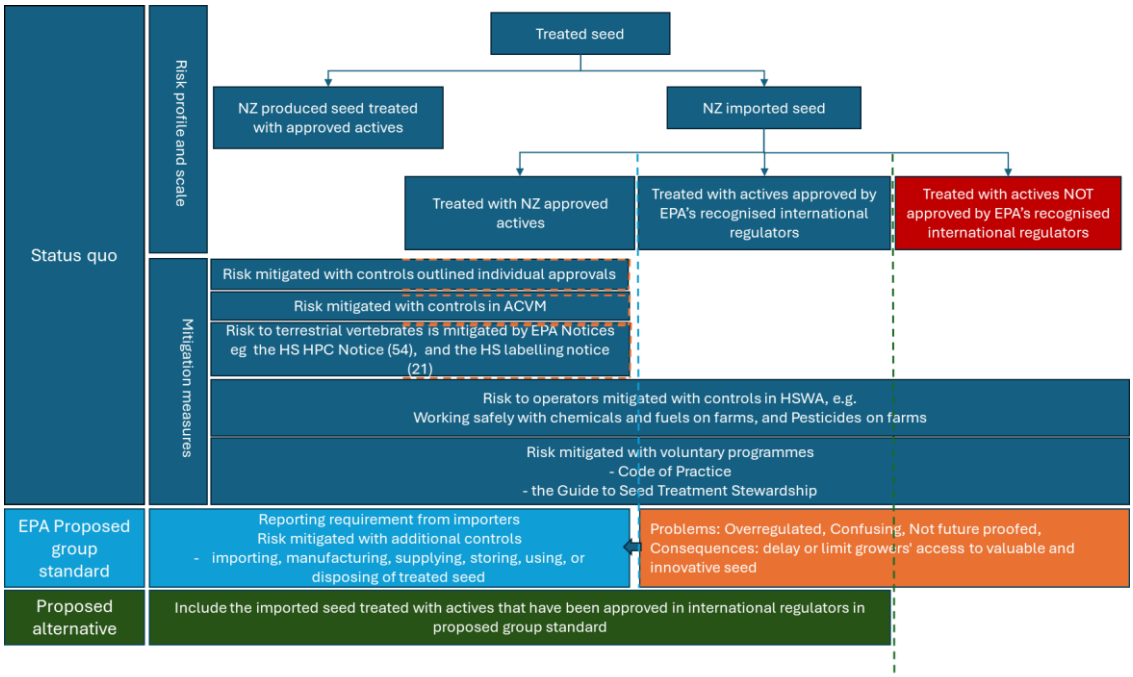


Figure 1. A diagram summarising HortNZ's status quo analysis, the EPA's proposed group standard problem identification and HortNZ's proposed alternative

PART 3

Submission

1. Introduction

HortNZ supports the development and implementation of group standards to improve efficiency and effectiveness of approval processes. We recognise the merit of having a group standard for treated seed, as the use of NZ's approved active ingredients for seed treatment will not have to go through individual assessment and approval process, which will improve efficiency to some extent.

However, we submit that the proposed group standard for treated seed in its current form would impose unnecessary regulatory burdens without commensurate environmental or human health benefits. Our analysis demonstrates that imported seed treated with active ingredients that have been assessed and approved by EPA's recognised international regulators (i.e., Australia, Canada, EU, UK and USA) should be included in the scope of EPA's proposed group standard. Because (1) they have the same circumstance of use as seeds manufactured domestically; and (2) any potential risks from these treated seeds can be effectively managed by the control conditions EPA are proposing

2. HortNZ has significant concerns about the proposed group standard in its current form

HortNZ could not find a convincing reasoning for proposing such a group standard **in its current form** for treated seed in the EPA's consultation paper. Instead, we found that the risks the proposed group standard seeks to mitigate are overestimated, the current mitigation measures are undervalued or are not recognised, EPA is not leveraging its trusted international regulators' assessment. As proposed, this group standard could result in overregulation, cause confusion, stifle innovation and trade, and restrain New Zealand's agricultural productivity.

2.1. Risks from treated seed are being overestimated

The EPA's assumption of significant risk from treated seeds (domestic and imported) does not align with empirical data. The consultation document does not quantify the risks from imported seeds. Based on data received from EPA's 2021/2022 call for information, the EPA should have provided a semi-quantified risk assessment for the proposed group standard.

HortNZ's analysis suggests that the EPA has overstated the risks associated with treated seeds. Based on feedback from Seed and Grain NZ (SGNZ) obtained during EPA's 2021/22 call for information, 24 active ingredients are used in seeds, both imported and domestically treated:

- Domestically treated seeds contain 20 active ingredients, all of which are approved in New Zealand and are regulated under HS Notices to mitigate any associated risks.
- Imported treated seeds contain 22 active ingredients:
    - Thirteen of these 22 active ingredients have already been approved in New Zealand and could be subject to risk mitigation through individual approvals and HS Notices.

- The remaining nine active ingredients, although not approved in New Zealand, have all been evaluated and approved by EPA's recognised international regulators (Australia, Canada, the EU, the UK, and the US). These regulatory bodies use advanced risk assessment models and have determined the risks to be low or acceptable and manageable[1].

No active ingredients used in treated seeds are unapproved by both NZ EPA and EPA's recognised international regulators. Therefore, the overall unmitigated risk from treated seeds is much lower than anticipated by the EPA. Analysing the risk profiles and scales of different seeds and seed treatment is critical to define the scope of this proposed group standard.

2.2. Detrimental impact of the proposed group standard in its current form on growers' access to treated seeds

Under the current scope of the proposed group standard, seeds treated with active ingredients that are approved by EPA's trusted international regulators but not yet approved in New Zealand will require a new Part 5 approval from the EPA prior to import or manufacture. Given the EPA's current significant backlogs of applications and lengthy approval timeframe, this will effectively prevent New Zealand growers/farmers from accessing these low-risk seeds. This in turn, risks putting our growers at a disadvantage in the global market.

The risks associated with importing seeds treated with active ingredients approved by EPA's recognised international regulators are low/acceptable. These regulators have established rigorous, science-based approval processes that often surpass New Zealand's in terms of resources, technical capacity, and access to the latest risk assessment models. The approval systems in Australia, Canada, the EU, the UK, and the USA involve comprehensive evaluations of human health, environmental impact, and efficacy, ensuring that the approved active ingredients meet high safety standards. Furthermore, the quantity of active ingredient used in seed treatment is typically very low. Unlike foliar sprays or soil-applied pesticides, seed treatments involve minimal exposure pathways, further reducing potential risks to people, animals, and the environment.

Identifying the treated seeds that will fall into this category and assessing their significance is essential to understanding the full impact of the proposed standard on the horticulture industry. The potential cost to the sector from losing access to these valuable seeds including the resultant crops should be carefully considered in the EPA's cost-benefit analysis, as this factor is currently missing. Also not considered in the cost-benefit analysis, is the increasing compliance costs for importers that will flow on to growers/farmers.

2.3. The proposed group standard in its current form is contrary to Government policy

As a Crown Agent, the EPA is required to give effect to Government policy. Agriculture Minister Todd McClay has made it clear that the government expects agencies to reduce regulatory burdens and accelerate innovation and productivity[2].

[1] Superfund Risk Assessment | US EPA
[2] Going for growth to boost farmer confidence | Beehive.govt.nz

Additionally, Regulation Minister David Seymour, Environment Minister Penny Simmonds, and Food Safety Minister Andrew Hoggard have recently endorsed the Ministry for Regulation's recommendations to cut red tape in the agriculture and horticulture sectors[3]. As currently written, this group standard would be misaligned with at least three of the Ministry for Regulations recommendations. Namely:

- Recommendation 7 - EPA should maximise its use of risk assessments conducted by international regulators.
- Recommendation 5 – EPA should increase the use and better design of group standards.
- Recommendation 8 – EPA should prioritise engagement at an international level to support harmonisation of requirements.

Despite these government expectations, EPA's cost-benefit analysis fails to account for the potential economic impact of the proposed group standard on growers and farmers—an essential consideration for ensuring alignment with government policy. Small-scale operators, such as vegetable seed importers, users, and R&D entities, would be disproportionately affected, potentially stifling innovation, productivity, and market competitiveness.

2.4. The proposed group standard in its current form lacks futureproofing

The proposed group standard does not account for advancements in seed treatment technologies, such as biodegradable coatings and precision application methods. A static regulatory framework risks becoming obsolete and discouraging innovation in sustainable and advanced seed treatment solutions. The EPA should consider mechanisms to accommodate emerging technologies within the group standard to ensure long-term relevance and effectiveness.

3. HortNZ proposes that the scope of this group standard is expanded

HortNZ recommends that the EPA expand the scope of the proposed group standard to **include seeds treated with active ingredients approved by EPA's recognised international regulators (Australia, Canada, the EU, the UK, and the USA).** This approach aligns with the statutory purpose of Part 6A Group Standard in the HSNO Act 1996, enhances regulatory efficiency and effectiveness, and maintains strong risk management practices. Given the rigorous approval processes of the EPA's recognised international regulators, the risks associated with these treated seeds are likely to be low/acceptable or manageable, and the current proposed conditions can effectively mitigate any potential concerns. Failing to expand the group standard's scope would only add unnecessary regulatory burdens, limiting industry access to essential seeds and ultimately disadvantaging New Zealand growers.

[3] Going for Growth: Multi-million dollar benefits possible for farmers and growers | Beehive.govt.nz

3.1. Inclusion of imported seeds treated with actives approved by EPA's Recognised International Regulators aligns with the purpose of Part 6A Group Standard in the HSNO Act 1996

The inclusion of this grouping of treated seeds aligns with the purpose of the Hazardous Substances and New Organisms (HSNO) Act 1996, particularly Part 6A, which governs group standards. Under Section 96A, substances without individual approvals (i.e., not subject to Part 5) may be included in a group standard as long as they have similar use, and the associated risks can be effectively managed through a single set of conditions.

Group standards exist to cover hazardous substances that share similar nature, type, or circumstances of use. Given that treated seeds—whether using New Zealand-approved active ingredients or those recognised by international regulators—fall into the same category of use, their risks can be managed under the same regulatory framework.

3.2. Risks (if any) from these imported treated seeds can be effectively managed by EPA's proposed conditions

The EPA's consultation document (Section 4.4) states that the proposed group standard conditions are broad enough to mitigate risks associated with different seed treatments throughout the treated seed life cycle. If this is the case, then there should be no reason why these same conditions could not apply to seeds treated with actives that have been approved by EPA's recognised international regulators.

The life cycle of imported treated seeds—whether treated with active ingredients approved by NZ EPA or those international regulators recognised by NZ EPA —remains the same. The conditions proposed in the group standard would apply equally to all treated seeds, ensuring that risks related to storage, transport, use, and disposal are effectively controlled. It is highly unlikely that there is valid reason why the existing conditions would be inadequate for managing the risks of internationally approved seed treatments while being sufficient for those approved by the NZ EPA.

3.3. Inclusion of these seeds would improve regulatory efficiency and effectiveness

We do not believe that the proposed group standard, in its current form, fully satisfies the statutory requirements of efficiency and effectiveness. The EPA has stated that the introduction of a group standard for treated seeds is intended to allow industry to introduce and amend plant protection products without needing to apply for new approvals on a case-by-case basis. However, the current proposal contradicts this intent by limiting the group standard's scope to seeds treated with active ingredients that already hold or would hold approval under Section 28A or Section 29 of the HSNO Act. This means that for any treated seed containing active ingredients not currently approved by the NZ EPA would still require a new Part 5 approval before importation or manufacture.

Processing Part 5 applications is both resource-intensive for the EPA and costly for applicants, as pointed out by EPA. Given that it is estimated that EPA's current backlog of

applications will take at least four years to clear, limiting the scope of this proposed group standard to substances that are already approved in New Zealand would impose additional administrative and processing burdens and delays. This could bring with it years of delays before New Zealand growers could access seeds treated with active ingredients internationally recognised as low/acceptable risk. This will reduce options for New Zealand growers/farmers and potentially put them at a trade disadvantage.

By allowing the inclusion of seeds treated with actives approved by EPA's recognised international regulators, the efficiency and effectiveness of the regulatory process would be significantly improved. The EPA would be able to streamline approvals, reducing its workload while maintaining robust risk management.

3.4. Inclusion of these seeds aligns with Government Policy

Cabinet has endorsed all 16 recommendations from the Agricultural and Horticultural Products Regulatory Review conducted by the Ministry for Regulation, including the use of international regulatory assessments to streamline approvals and reduce delays[4]. Allowing the inclusion of these seeds aligns with this approach, enabling farmers and growers to access innovative, high-value seed varieties that enhance productivity, support innovation, and strengthen market competitiveness. Ensuring timely access to these seeds is essential for maintaining a dynamic and globally competitive agricultural sector.

4. Specific Recommendations for the Proposed Group Standard

4.1. HortNZ proposes exemptions for low-risk scenarios

HortNZ requests that the EPA consider an exemption mechanism for low-risk imported seeds, such as vegetable seeds due to their low volume and controlled cultivation approach. This would allow for a more proportionate regulatory approach while still upholding food security, human health and environmental safeguards.

4.2.1. Controlled cultivation: reducing environmental risks from seed treatment substance in vegetable production

Additionally, vegetable cultivation inherently minimises environmental risks. Unlike other crops, most vegetable seeds such as broccoli, cauliflower, cucumber, capsicum, and tomato, are first germinated in controlled greenhouse environments before being transplanted into the field. Some vegetable species such as indoor tomatoes, capsicum and cucumber remain in controlled greenhouse environments throughout the entirety of their production cycle. This process significantly reduces the likelihood of unintended environmental impacts, such as risks to aquatic ecosystems, terrestrial vertebrates and terrestrial invertebrates.

4.2.2. Regulatory and market constraints on vegetable seed imports of small volume

In New Zealand, vegetable crops are classified as minor crops, and the volume of imported vegetable seeds is relatively small compared to grass and lawn seeds. Often

[4] Agricultural-Horticultural-Products-Regulatory-Review-full-report.pdf

local buyers receive a portion of larger, globally distributed seed batches that have already been treated and labelled to meet international requirements. Fortunately, importers have so far been able to secure access to these seeds for New Zealand growers. However, as a small market, any additional regulatory burden or unique regulatory compliance conditions may discourage importers from continuing to supply these seeds—particularly if compliance requires modifying labelling specifically for New Zealand. Given the narrow profit margins, such requirements may not be justifiable, leading importers to abandon these products altogether.

New Zealand is also a small market for agrichemicals, offering little incentive for manufacturers to develop and supply low-volume specialist treatments. The current approval process for new active ingredients is lengthy and complex, often deterring agrichemical companies from applying for approval to sell their products in New Zealand. If importers withdraw from the market, vegetable growers may lose access to these critical seed varieties and the resultant crops will not be available for domestic consumption. This could have significant implications for food security, as approximately 80% of New Zealand's vegetable production supplies the domestic market, providing fresh, healthy food for New Zealanders.

4.2. Proposed Changes to the Proposed Conditions

HortNZ initially intended to recommend that the EPA consolidate the proposed conditions into a single, comprehensive set of requirements for treated seed compliance. However, we recognise that this may not be feasible given the numerous EPA Hazardous Substances (HS) Notices need to be complied. Appendix Table 1 outlines our reasoning for suggested changes to the proposed conditions, primarily focusing on labelling. The key recommendations are:

- **Amendment of subclause (3) to state:**
  *"Clause **20**, 21, and **24** of the Hazardous Substances (Labelling) Notice 2017 do not apply to treated seeds covered by this group standard."*
    - Conditions (f) and (g) duplicate the requirements of Clause 20 of the Hazardous Substances (Labelling) Notice 2017.
    - Conditions (j) duplicate the requirements of Clause 24 of the Hazardous Substances (Labelling) Notice 2017.
- **Removal of the bee protection statement**
    - This condition is not relevant for seed applications as bees will not be coming into direct contact with the treated seeds. Furthermore, the very small volume of hazardous substance on a single seed and the long period of time before the germinated seed produces flowers, means that bees are extremely unlikely to be exposed to a hazardous substance arising from a treated seed.
- **Relocation of conditions (a, b, c, d, and i) to the "Restriction on Supply, Storage, and Use" section.**
    - These conditions pertain more to the operational aspects of seed storage and use.
    - They align with best practices already outlined in the *Stewardship Guide for Handling and Planting Treated Seed*.
    - This change would improve label readability for individuals with normal eyesight.

These adjustments aim to enhance clarity, reduce redundancy, and ensure practical implementation.

4.3. Comments on sample list of active ingredients falling within the proposed group standard scope

HortNZ recommends that the EPA establish a mechanism to easily and seamlessly expand the list of active ingredients falling within the proposed group standard scope. As this is only an initial list, many active ingredients will likely need to be added once the group standard is implemented.

Additionally, HortNZ suggests that the EPA include hazard classifications of the seed treatment substance in the sample list. This would enable importers to assign substances to the group standard, as they may not have the necessary expertise. This approach could be more effective than relying solely on training.

4.4. Comments on data reporting requirements

HortNZ believes that seed importation data is likely recorded by MPI and/or Customs. We recommend that the EPA engage with these agencies to understand what seed importation data is available, helping to avoid duplication of efforts and unnecessary burdens on importers.

After consulting with MPI and/or Customs, if gaps in data collection are identified and a reporting requirement for importers is deemed necessary to mitigate risks, we suggest that the EPA develop a streamlined data reporting platform. This platform should facilitate easy data collection while ensuring that the collected data is structured for efficient analysis.

Appendix.

Table 1. Suggested changes to the proposed conditions.

Proposed conditions	Comments
(3) Clause 21 of the Hazardous Substances (Labelling) Notice 2017 does not apply to treated seeds covered by this group standard.	Suggested change: Clause **20**, 21, and **24** of the Hazardous Substances (Labelling) Notice 2017 does not apply to treated seeds covered by this group standard
(a) "Appropriate personal protection equipment shall be used when handling seeds treated with this substance." (b) "When opening seed bags and during filling or emptying of the planter/drill, avoid dust exposure". (c) "Avoid transfer of dust from the seed bag into the planter/drill". (d) "Seed planter/drill equipment shall ensure a high degree of incorporation in soil, minimisation of spillage, and minimisation of dust emission."	In Stewardship Guide Repeated in the "Restriction on supply, storage and use" (3) (b). These are more related to use of the seed, suggested to move these to "Restriction on supply, storage and use" section, rather than in labelling. This will also increase the label readability.
(e) "Sow at or below the recommended application rate".	HPC Notice 2017 Clause 50
(f) "Do not apply directly into or onto water". (g) "Take all reasonable steps to ensure that the substance does not cause any significant adverse effects to the environment beyond the application area."	The Hazardous Substances (Labelling) Notice 2017 clause 20 (2) Clause 20 do not apply to group standard?
(h) "Ensure any seeds are not accessible to birds at any time unless preventive or deterrent measures are used". (i) "Not to be used for human or animal consumption".	The Hazardous Substances (Labelling) Notice 2017 clause 21 (2)
(j) "Do not apply substance to an application plot if– (i) Bees are foraging in the application plot; or (ii) The plants surrounding the application area, that may be contaminated by the	The Hazardous Substances (Labelling) Notice 2017 clause 24 This does not apply to seeds, suggested to be removed.

application of the treated seed, are in flower or part flower, and are being (or likely to be) visited by non-target invertebrate pollinators (including bees)." Clause 24 do not apply to group standard?	
(k) "Do not leave empty bags or left-over treated seed in the environment". (l) "Ensure that left over treated seeds are returned to their original bags. Do not use empty seed bags for other purposes".	Stewardship Guide These are more related to use of the seed, suggested to move these to "Restriction on supply, storage and use" section, rather than sitting in labelling. This will also increase the label readability.