

GIA, THE NURSERY AND GARDEN INDUSTRY, AND FORESTRY & HORTICULTURE SECTORS

Discussion paper for Hort NZ and its product groups, New Zealand Wine and FOA

August 2014

Purpose

1. The purpose of this paper is to communicate how Nursery and Garden Industry New Zealand (NGINZ) proposes to approach Government Industry Agreements on Biosecurity Readiness and Response (GIA), and to enable an early discussion on GIA relationships, common interests and scope across the nursery and garden industry and with key players across the horticulture sector. As context, this also summarises NGINZ's related plans to introduce a new strategic framework for the industry and a Commodity Levy to fund industry good activities.

Introduction

2. We appreciate the horticulture sector is well connected to GIA, and background to GIA is therefore assumed for the purpose of this paper.
3. The nursery and garden industry is a biologically-based industry. Biosecurity is a core activity to enable successful production and plant movements, including ability to access new germplasm and to export.
4. The industry is diverse with some large producers and retailers alongside numerous smaller businesses. It encompasses a broad botanical spectrum through a varied and diverse supply chain. Production nurseries distribute plants to other horticulture sectors (orchard and vegetable producers), revegetation and restoration (regional and district councils, DOC, roading & transport), amenity and urban planting and architecture (landscapers and district councils) and home gardens (landscapers, garden retailers and direct to consumer). Third party suppliers of nursery and garden retail inputs (for example growing media, fertilisers, agrichemicals, pots ...) are also an important part of the supply chain.

5. A wide range of pests and pathogens are present in New Zealand and affect the industry. The industry has established crop protection and management systems, which are likely to address risk associated with most new pests and pathogens, or be readily adapted to do so.
6. This paper is split into three parts; Part 1 summarises how GIA fits within a broader package of proposals NGINZ is putting to the industry, Part 2 summarises how NGINZ proposes to approach GIA, and Part 3 summarises key areas for discussion (scope, interests and relationships).

Part 1 – Context

How GIA fits within our industry's Towards 2025 proposal

NGINZ is at an early stage introducing a package of proposals to the nursery and garden industry (labelled 'Towards 2025'), recommending:

- a new **strategic framework** for the industry, built around the goal to 'Double the value of Greenlife by 2025' (below)
- the nursery and garden industry becomes a **signatory to the GIA Deed**
- introduction a **Commodity Levy** to fund industry good activities, including biosecurity and GIA

NGINZ will be consulting on this package early in 2015. The full 'Towards 2025' package and consultation process/timeline are available at: www.nginz.co.nz/towards2025.

NGINZ involved three nursery specialists that grow young plants for food sectors in a working group that assisted with development of the 'Towards 2025' package.

The strategic framework, set out below, currently includes an objective around greater partnering with the wider horticulture sector to support its' growth plans (\$10b by 2020) and could easily focus on equivalent goals for wine grapes and forestry sectors.

If the 'Towards 2025' package is supported, future steps are to develop detailed strategy components and actions plans to make it happen. NIGINZ would seek to work with Hort NZ and its product groups, New Zealand Wine and FOA to identify where there is value in partnering.

Part 2: How NIGINZ proposes to approach GIA

Nursery and garden industry GIA drivers

7. The following are the drivers NIGINZ has identified for participation in GIA (in no particular order):
 - a) To prevent establishment of new pests and diseases that could have productivity or other unwanted impacts (though few risks to nursery productivity have been identified to date - covered below);
 - b) To reduce the risk of pests and diseases spreading through nursery and garden industry pathways (eg, nursery hygiene and transport protocols and systems);
 - c) To ensure biosecurity preparedness and response activities do not create unnecessary impacts on the nursery and garden industry (e.g., movement controls);
 - d) To enable our industry to more rapidly react and/or adapt once a new pest or pathogen establishes (where eradication is not possible or desirable, or fails) at least cost/impact;
 - e) To improve access to pest and disease control tools (both maintaining existing tools and expanding the toolbox);

THE GOAL

Double the value of Greenlife by 2025

OBJECTIVES

Urban and amenity spaces

30% more green space in urban areas by 2025.

Rural, natural environment and infrastructure spaces

70% more greenlife in rural, natural environment and infrastructure spaces by 2025.

Home gardens and landscaping

Double the value of greenlife sold through retail and landscape by 2025.

Exports

Double the value of greenlife exports.

Support growth in forestry and horticulture industries

Partnership with sector groups to facilitate their industry objectives and our role in them.

Public Awareness and Engagement

Public awareness, and thus perceived value, of greenlife doubled by 2025.

- f) To protect market access for our exports (limited to a few crops and a few nurseries);
 - g) To be a responsible industry at the decision-making table and playing our part to ensure New Zealand's biosecurity is effective;
 - h) To strengthen coordination and collaboration in the management of biosecurity across the horticulture sector, taking a unified approach;
 - i) To strengthen our engagement with MPI in relation to wider biosecurity matters.
8. Our other general interests include:
- j) Net benefit - ensuring the benefits of any nursery and garden industry investments in biosecurity readiness and response outweigh costs
 - k) Affordability - ensuring costs are affordable such that nursery and garden industry enterprises remain viable and productive.
 - l) Efficiency - making sure any investments achieve value for money and effort/time invested

A broader perspective

9. As is the case for our colleagues in other parts of the horticulture sector, our biosecurity interests are wider than "readiness" and "response". Like others, we are emphasizing with MPI that a systems-wide approach to biosecurity remains critical (from pre-border through to pest management, and protecting the full range of biosecurity values), that GIA needs to serve as a catalyst for strengthening this, and that MPI needs to guard against over-investment in readiness and response and under-investment in other important areas of biosecurity.
10. NGINZ is developing an "Industry Biosecurity Plan" to provide a strategic framework for our overall investment in biosecurity, define industry biosecurity scope, threats, procedures, standards and engagement, identify priority areas where we will strengthen biosecurity for our industry, and clarity of approach. Additionally NGINZ's "Nursery Production Farm Management System" (www.nginz.co.nz/fms) will foster general best practice in nursery production, environmental impact and biosecurity preparedness. These two initiatives will substantially improve the nursery and garden industry's overall biosecurity capability.

Risk assessment to date

11. NGINZ is undertaking an assessment of exotic pests and diseases that threaten plants of interest to all the sectors in its supply chain. Considerations are two-fold:
- i. Pests and diseases that have potential to compromise nursery productivity; and
 - ii. Pests and diseases that could be spread through nursery industry and associated pathways.
12. The first stage of risk assessment has focused primarily on (largely ornamental, natives plants and food plants) supplied to home garden, amenity and urban plantings, and re-vegetation and restoration sectors. Results to date suggest few if any pests will materially compromise nursery productivity, in particular as the vast majority are likely controlled by existing crop protection procedures (assuming access to, and reliant upon current control tools). Additionally, and in part only, as the nursery and garden industry has a broad botanical spectrum, should specific product lines be affected by an incursion the industry often has ability to exit affected lines and replace them with alternatives. In the long term, however, the industry cannot rely upon this latter approach; it is readily likened to "death by a thousand cuts".
13. A likely exception - a disease that could significantly compromise nursery productivity - is "sudden oak death" (*Phytophthora ramorum*), given its broad host range and severe impacts. Notably this is a significant pest of native flora and forestry. In Australia, readiness and response to *P. ramorum* is classified as "100% Government Funded" under the Emergency Plant Response Deed (their equivalent to GIA).
14. The second phase of risk assessment is focusing on supply of young food and forestry plants to both commercial food and forestry sectors. NGINZ is taking the lead here from your organisations/sectors, and the pest and disease lists you have prepared to date under GIA. We will also be cross-referencing where useful to relevant international approaches (e.g., pests and diseases of young food and forestry plants identified by the Australian nursery industry).
15. We have already identified Pearce's disease (*Xylella*) as another that warrants closer consideration.

16. The GIA environment brings risks beyond the nursery industry's own pest lists, which we will need to be managed, including:
- Impacts associated with restriction on movement and/or sale of plants and plant propagation material;
 - Impacts if our industry is not well prepared and is slow to contain or adapt to a new pest or pathogen (in particular if control tools are not available);
 - Loss of market access (affecting a small number of nurseries); and
 - Impacts if other industries we supply are affected leading to drop in demand for our products.

Where the nursery and garden industry can add value within GIA

17. In terms of "achieving better biosecurity outcomes" NGINZ has identified six key areas of activity where the nursery and garden industry can add value in relation to biosecurity readiness and response:
- i. **Surveillance** - a nationwide network of nurseries and skilled nursery professionals who already carry out surveillance. This is supplemented by an extensive retail network that is the frontline for gardeners, who frequently bring any unusual pest /symptoms in for diagnosis. There is potential to formalise this as a network and establish links with national surveillance activities.
 - ii. **Engaging the gardening community** – building public awareness to encourage surveillance and early reporting, and to promote adoption of biosecurity behaviours.
 - iii. **Pathway management & hygiene** - we are uniquely positioned to reduce risk of pests and diseases spreading through movement of plants, soil products, seeds, equipment etc. around New Zealand.
 - iv. **High health/NZ BioSecure** - there is potential for us to partner with others in the horticulture sector to introduce a biosecurity standard and tailored certification that enables supply of plants to growers with desired level of assurance that these are free of high risk pests and pathogens.
- v. **Responding to new incursions** - as an industry we have a strong network of professionals and technical expertise, ability to manage pathway risk, and strong established communication channels (as above), which may be an asset during some responses.
 - vi. **Assisting the industry and garden community to adapt** - where new and damaging pests or pathogens establish and eradication is not possible or desirable, or fails, we are well positioned to assist growers and gardeners to adapt at least cost.

Proposed approach to GIA and timing

18. NGINZ is proposing that it becomes a signatory to the GIA deed, representing all nurseries that commercially produce and sell plants. We are testing this proposal in two stages:
- i. Stage 1 – In 2014 we undertook testing with our current NGINZ members, firstly at our annual conference in June 2014, and followed by regional meetings that culminated in a member poll in September 2014, and in parallel we are meeting/testing proposals with Horticultural and Forestry Industry Associations.
 - ii. Stage 2 - This is to be followed by formal industry wide consultation in the New Year, concluding with a referendum in May 2015. If successful GIA and levy applications will be put to the Minister in July 2015.
19. At this point (based on risk assessment work to date) NGINZ is unlikely to seek an operational agreement for any specific pest or pathogen. Even if the case for *P. ramorum* stacks up, given this would also have wide-scale impacts on environment and amenity values, and across the horticulture sector, we are likely to be a small-bit player.
20. A potential approach we are looking at is to establish a 'Generic Operational Agreement' with MPI, covering the areas listed in section 18 above (also see initial ideas re practical initiatives under GIA in Appendix 1). We would seek to work with GIA partners to better understand how to achieve effective preparedness for our industry, in a coordinated way that best contributes to overall readiness across the horticultural sectors.

21. Where another sector or sectors prepare operational agreements that are pest- or pathogen-specific (e.g., fruit flies) we will consider these on a case-by-case basis.

Mandate and funding

22. Membership of NGINZ is voluntary and we do not currently have access to Commodity Levy or Biosecurity Act funding. Our ability to commit to GIA is thus presently limited.
23. Some 100 growers are NGINZ members. Statistics NZ industry demographic data records 783 nurseries in the two relevant ANZSIC industry groups. While NGINZ represents a significant portion of larger nurseries, we still have a considerable mandate hurdle.
24. Discussions with MPI conclude that NGINZ is an appropriate nursery and garden industry representative body (and if not us, then who else?). NGINZ will thus campaign vigorously and consult widely to secure mandate.
25. NGINZ is also embarking upon a path to establish a Commodity Levy. The nursery and garden industry (that is nursery growers) have never had a levy; its industry good activities have been funded by voluntary subscriptions and other declining income streams (e.g., gift cards and voucher non-redemptions). The current approach is not sustainable and the NGINZ Board has determined that a Commodity Levy is a funding imperative (among other drivers – industry professionalism, proactivity, GIA, industry capacity, and addressing free-rider issues).
26. It is NGINZ's intention that the Commodity Levy will be in two parts – part to fund broader industry good work and part to fund biosecurity/GIA commitments and activities. NGINZ is proposing to manage any response costs /liability through maintaining a secure 'contingency fund' (which we believe is appropriate as the industry is unlikely to be a significant beneficiary of responses and any impacts would likely be short term). In the event of response costs being incurred the contingency fund would be used then reimbursed by funds collected through the commodity levy. NGINZ would maintain a "Plan B", being to establish a Biosecurity Act Levy if it is subject to unforeseen response costs that exceed its fiscal cap.

Part 3: Key Areas for Discussion – Scope, Interests and Relationships

27. The key scope consideration, which NGINZ wishes to discuss with the wider horticulture sector, relates to whether nursery production of young plants for commercial horticulture and/or forestry is included in scope.
28. A small number of nurseries which produce young plants for commercial horticulture are existing members of NGINZ (e.g., Waimea Nurseries, Zealandia Nurseries, Rainbow Park), however, most are not. A larger number of nurseries produce young food and forestry plants for supply to the retail sector and are members of NGINZ.
29. Our understanding is that most, if not all, nurseries supplying young plants for commercial food or forestry production are not full members of FOA, NZ wine or Horticulture New Zealand, or the respective product groups they supply. Some may be associate members of these, some have formed their own smaller associations (e.g., New Zealand Forest Nursery Growers Association, and equivalent for pipfruit), and some have no affiliation with any industry association (e.g., most nurseries supplying kiwifruit plants).
30. Our understanding is no nurseries that supply young plants for commercial food or forestry production are subject to any commodity levy.

Discussion point 1: Is the above accurate?

31. NGINZ has identified that the current situation described above represents a strategic gap. In the context of biosecurity and GIA, if such nurseries are not under anyone's "umbrella" (that is, if they are not a full and levy paying members of FOA, or of NZ wine or of Horticulture New Zealand and/ or the respective product groups they supply, or of NGINZ) then they will not be contributing their cost share under GIA and they will sit outside coordinated efforts to strengthen biosecurity readiness and response.
32. The NGINZ board has also identified that the current situation has the potential to create inequity between those nurseries that supply to 'commercial' food or forestry as opposed to 'retail', and to generate complexity for those nurseries that supply to both (e.g., paying a levy on tomato plant supplied to retail, but not on a tomato plant supplied to a commercial grower, and reconciling this in a levy return).

Discussion point 2: Do you agree there is a strategic gap and inequity if nurseries supplying plants for commercial food or forestry production are not a full levy paying member of an association?

33. NGINZ recognises that the sort of preparedness and response activities that a commodity levy (refer paragraph 27) would fund will benefit all nurseries (see examples in Appendix 1), which reinforces the case for applying a broad scope that encompasses all nurseries, including those supplying young plants for commercial horticulture and/or forestry.
34. Such a widening of scope would create significant change and challenge for NGINZ, and may not be immediately welcome by some of our existing members (e.g., it may be seen, rightly or wrongly, by some as diluting focus or creating financial risk). But if it is the right thing to do it will need to be worked through carefully.
35. From NGINZ's perspective the most important thing is that such nurseries fall under someone's umbrella; as full levy paying members of one of our Associations. And either way/irrespective of whose umbrella that is, we see this usefully leading to a closer engagement where the nursery and garden industry and FOA, NZ wine and Horticulture New Zealand associated product groups work in partnership or collaborate in areas of common interest.
36. The example of Kiwifruit Vine Health and NGINZ collaborating to develop the 'Kiwifruit Plant Certification Scheme', and the potential extension of this to a broader NZ nursery biosecurity scheme (NZ BioSecure - refer to Appendix 1) is the sort of opportunity we are seeing. A scheme to address biosecurity risk associated with the plant transport network is another.

Discussion point 3: Does it make more sense for nurseries supplying plants for commercial food or forestry production to be under the umbrella of your associations, or NGINZ? Which is a better fit? What are any issues or opportunities you see with either approach?

Discussion point 4: What are the interests of your Association in relation to nursery biosecurity? Are there specific areas or opportunities you are already seeking to progress? What is your level of interest in the concept of a New Zealand nursery biosecurity scheme (as described in Appendix 1)?

37. NGINZ's proposed new strategic framework includes an objective to partner with horticulture in its "Growing a New Future" plan - \$10 billion by 2020. We intend to refine this to reflect any equivalent/wider sector strategies (e.g., for grapes and forestry).

Discussion point 5: Where do you see opportunities for the nursery and garden industry to support your sector strategies?

38. NGINZ has initiated development of its commodity levy proposal (refer to www.nginz.co.nz/towards2025). We will be happy to discuss and answer any questions on this, and present further detail subsequently. One of the proposed features of the levy is a maximum cap on the levy rate, designed to achieve a balanced approach that accommodates large-scale nurseries.
39. NGINZ established a working group earlier this year to assist with development of its strategy, GIA and levy proposals. This included five representatives from nurseries that supply young food plants to commercial horticulture (Zealandia, Rainbow Park, Waimea, Pattullo's). Representation on this working group needs to reflect the scope we settle on, and approach to wider horticulture sector representation on this group is something we would like to discuss.
40. NGINZ will be engaging smaller nursery associations and individual nurseries during the wider consultation phase (as per paragraph 19 above), and we are seeking to enter that engagement with a sound understanding of product group perspectives.

Discussion point 6: What sort of engagement is needed from here?

Appendix 1: Initial ideas re potential initiatives to strengthen nursery and garden industry preparedness

- a) Communication activities to raise awareness of GIA and biosecurity (noting that developing and implementing a GIA Communications Plan would be a baseline commitment for us anyway) across members of our industry.
- b) Communication activities to raise biosecurity awareness within gardening community (would need to be as part of a coordinated and joint campaign).
- c) Establish biosecurity standards and/or guidelines for the different parts of our industry, including:
 - i. General biosecurity practice guidelines (e.g., along lines of ['Drystock Biosecurity Guidelines'](#) or the Australian ['Biosecurity Manual for the Nursery Production Industry'](#)
 - ii. Rolling out the nursery industry Farm Management System (NIASA and BioSecure HACCP) [Note: an area to explore is opportunity to accelerate roll out through GIA (e.g., financial incentives for early adopters, or encouraging FMS as a requirement in supply agreements).
 - iii. Working with horticultural and forestry sectors to implement a NZ nursery biosecurity certification scheme, NZ BioSecure (*described further below).
 - iv. Setting standards for plant transportation operators (hygiene, traceability etc.).
- d) Further develop and formalise a nursery surveillance programme, including to link or utilise this in relation to national surveillance programmes.
- e) Develop strategic approach/initiative to ensure efficient and timely access to control tools (including R&D, tool registration, and coordinated approach to working with EPA).
- f) Further develop understanding of emerging risks to our industry, e.g., by monitoring the international situation and risks offshore, and working with MPI.
- g) Develop industry contingency plans (including fact sheets, simple model plans a business can adopt, and securing access to requisite tools) to enable the industry to rapidly adapt to high priority pests (e.g., what to do if 'myrtle rust' or 'sudden oak death' arrives).
- h) Develop industry contingency plans (including fact sheets, simple model plans a business can adopt, and securing access to requisite tools) to enable the industry to rapidly adapt to high priority pests (e.g., what to do if 'myrtle rust' or 'sudden oak death' arrives).
- i) Developing and negotiating phytosanitary measures that our industry could apply to prevent spread of high risk pests or pathogens following an incursion; to manage risk and eliminate unnecessary restrictions on plant or other product movements.
- j) Develop capability to support response - mechanism to coordinate industry engagement and support members of our industry during a response (e.g., establishing a new Industry Biosecurity Liaison role? or equivalent along lines of NGIA Australia's 'Industry Development Officer' roles?). This could extend to involvement in training, simulations etc. and facilitating any potential role we play within MPI's National Biosecurity Capability Network.

In relation to idea c) iii) above, NGINZ has worked closely with Kiwifruit Vine Health to develop the first standard ("Core Standard") of the 'Kiwifruit Plant Certification Scheme'. NGINZ and KVH have agreed to work together and with other interested organisations/sectors to develop a NZ Nursery Biosecurity Standard/Scheme (NZ BioSecure), to serve as the foundation of the KPCS "High Health" standard (to this the kiwifruit industry will add a module covering kiwifruit industry-specific requirements (e.g., pest-specific monitoring, sampling and/or testing requirements)).

Is there a wider role for a broader NZ nursery biosecurity scheme? We understand that currently 'Grafted Grapes', 'Strawberries', 'Avocados' and 'Forestry' operate some form of nursery biosecurity scheme (others?). Several other product groups have historically either operated similar schemes or attempted to establish such schemes and found this challenging.

The potential we see is to establish a single, integrated scheme for NZ nurseries – one scheme designed to lift biosecurity risk management across nurseries, which can be added to to meet the specific needs of individual product groups (i.e. with ability to attach sector-specific 'modules' along lines described above for the kiwifruit industry), and which is ultimately aligned with regulatory requirements (domestic, import and export).

This is a concept at this stage, and one NGINZ seeks to test with Hort NZ, its product groups, wine grapes and Forest Owners Association, MPI and local government.