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Attachments: [Environmental Protection Authority Submission on HiCane Reassessment Dec 2021.docx](#)

Please find attached our submission on the proposed use of HiCane on kiwifruit orchards.

Regards,

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Tauranga Moana ki te ao

SUBMISSION TO ENVIRONMENTAL PROTECTION AUTHORITY – HYDROGEN CYANAMIDE REASSESSMENT

SUMMARY OF SUBMISSION

- **Kiwifruit is a significant economic enabler in the Bay of Plenty region, contributing over \$1.7b dollars to the region’s economy in 2020/21.**
- **The current proposal to ban HC could have a significant negative impact on community prosperity, including financial loss to growers, job losses and mental health.**
- **We ask the EPA to continue working with the kiwifruit sector to find a solution that ensures the kiwifruit sector remains an integral and vital part of regional communities.**

BACKGROUND

Priority One is the economic development enabler for Tauranga and the Western Bay of Plenty. The organisation reflects a partnership between the business community and local authorities, with substantial funding and support provided by businesses and individuals committed to seeing positive change through increased economic prosperity across our community. Priority One is also contracted to deliver economic outcomes by Tauranga City Council and Western Bay of Plenty District Council.

Priority One’s core role is to build the sub-region's economic depth beyond an historic reliance on population growth as our key economic driver. Our most effective contribution to the region is to focus on the creation of high skilled jobs and the ability of our own community to fill them.

It is in the context of collaborating to build a more sustainable and prosperous sub-region and wider region that is attractive to current and future residents and businesses that Priority One submits to the Environmental Protection Authority.

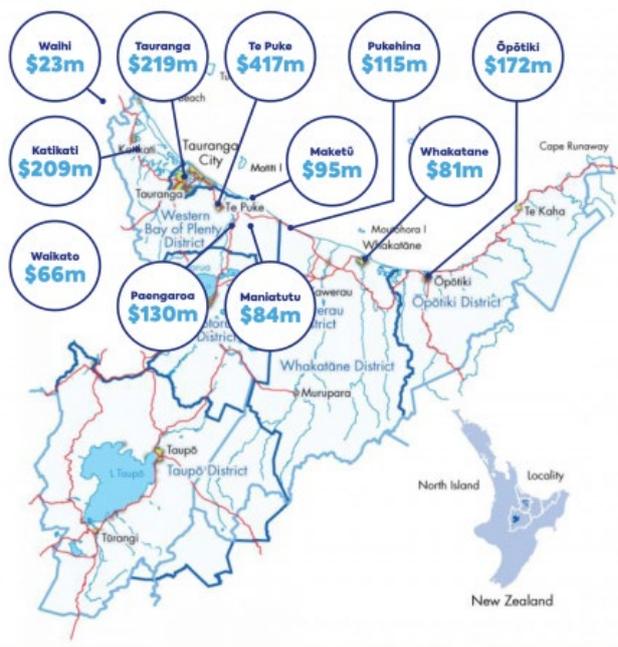
Key points for this submission:

Economic Impact

The New Zealand kiwifruit industry is the biggest sector and largest exporter in New Zealand's horticultural industry. It has been a remarkable export success story for New Zealand, delivering enduring and strong economic returns to the New Zealand economy, with exports worth \$3.6 billion in the financial year 2020/2021. The with a focus on high-value brand development and research led innovation to produce new varieties, the kiwifruit sector is expected to grow to \$4.5 billion in annual sales by 2025.

Within the Bay of Plenty the kiwifruit industry is a major contributor to regional GDP and community prosperity, contributing \$1.78b to the local economy in 2020/21. To date the economic strength and contribution of the kiwifruit sector has played a major role in insulating the Bay of Plenty region from the worst impacts of the Covid-19 pandemic. The sector has provided large scale employment for local people, particularly those displaced from the tourism and hospitality sectors. Last season 1500¹ Bay of Plenty people moved off government assistance benefits and were supported into work in the kiwifruit sector. At the same time, many Kiwis whose jobs had been impacted by COVID-19 went into kiwifruit work without coming on to government assistance benefits.

2020 KIWIFRUIT INDUSTRY CONTRIBUTION TO THE BOP'S REGIONS



Given the sectors significance to the regional economy and the livelihoods of local people and communities, we are concerned at the industries projections around the level of financial impact that could result from the EPA's current proposal. We understand the impact on green production could significantly reduce Net Orchard Return to the point that green kiwifruit production becomes uneconomic in a number of regions.

¹ MSD

The consequence of a significant reduction of earnings will adversely affect rural communities with decreased local spending, as well as impacting on local jobs and incomes for whanau. Furthermore, we would anticipate a spike in mental health related issues, particularly for orchard owners, if the current proposal was implemented.

To help with additional context to the importance of the kiwifruit industry to the Western Bay of Plenty economy, the economic effect of the PSA virus in 2012/13 was far larger than the impact of the covid-19 pandemic on this region.

Mental Health & Wellness

The uncertainty that growers are facing due to the proposed HC ban has added a level of anxiety for growers and if implemented is likely to adversely impact on grower mental health. New Zealand Kiwifruit Growers economic modelling indicates a majority of green growers will no longer be financially viable and unless a new green variety is found to produce the same (or better) yields as a HC application would produce, then orchards could become uneconomic.

We have experienced the impact of significant financial shock on the kiwifruit sector during the PSA crisis in 2011/12. At this time kiwifruit growers faced extreme hardship due to the bacteria wiping out most of the gold crop. The industry put in place a range of mental health measures to help growers get through, including emergency meetings with the Minister of Health and the Minister of Agriculture. There was a clear recognition from government to provide urgent assistance to growers. If the proposed HC ban goes ahead, growers are likely to face the same mental health impacts that were felt in 2011/12.

A NZ Herald² article from 2012 shows the direct impact on mental health due to job losses when the bacterium PSA was rampant on orchards. Another NZ Herald article from 2019 showcases the suicide prevention measures that was undertaken across the industry. The impact of job losses will be greater due to industry growth since 2021/12 if HC is banned.

Climate Change

New Zealand is a country reliant on primary production and tourism for much of its economic wealth and is vulnerable to the economic and environmental impacts of climate change. In areas like Bay of Plenty, temperature increases will further reduce winter chill which means without HC, the industry's production could be severely impacted.

The key growing areas of Te Puke and Katikati sit at 15m elevation and 2m respectively. Frosts are generally restricted to 1-3 per year. Since the 1980s, frosts in the Bay of Plenty region have decreased by 38%. The Ministry for the Environment climate change projections for Bay of Plenty show an increase of 32 - 99 of days where the temperature exceeds 25 degrees and a decrease of frosts from 7 – 2 days.

6,102 hectares of green are grown in the Bay of Plenty. With an increasing warm climate and less frost activity, the use of HC is critical for ongoing production and GDP contribution to the region (\$1.7b for the 2020/21 season).

SUMMARY

² <https://www.nzherald.co.nz/nz/psa-related-job-losses-causing-anxiety-stress/K4WWO7OMO3NQXAF7ZFTRWJKLJE/>

Priority One values and supports the role of the EPA in protecting the environment for the people who live and work in it. In the Bay of Plenty region, the kiwifruit sector contributes directly and indirectly to the livelihoods of many thousand people. We understand that HC is critical for the production of kiwifruit and that a ban implemented within the relatively short timeframes currently proposed would cause significant financial and wider economic impacts for kiwifruit growers, workers and community prosperity.

We ask the EPA to continue working with the industry on a solution that ensures the kiwifruit sector remains an integral and vital part of regional communities.