



15 April 2025

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Dear Colin,

I am writing to you to provide the first quarterly update for 2025 on the work the Government is doing to support horticulture sector growth.

Since becoming the Minister responsible for Horticulture, I have met with almost all key stakeholders and representatives. I have thoroughly enjoyed these engagements and the opportunity to learn more about what is important to you, the opportunities and challenges the sector is facing, and seeing all your hard work in action. I look forward to continuing to meet with you and championing the sector to help achieve its goals.

I am pleased to hear that growing started well this year and the harvest is looking good.

It excites me to see that horticulture export revenue is forecast to increase by 12 percent in the year to 30 June 2025. The Situation and Outlook for Primary Industries report recorded export revenue of \$7.1 billion in 2024 for horticulture, and forecasts \$8 billion in 2025 and \$8.5 billion in 2026. The Government remains dedicated to creating opportunities for the sector so it can continue to maximise value from horticulture products and contribute to the economic growth and wellbeing of New Zealand.

Resource Management Act reform – freshwater policy

The Government is restoring confidence to the rural sector by making changes to freshwater policy. We are already making progress towards a more balanced national framework for freshwater, that integrates environmental and economic priorities while allowing for an appropriate level of regional flexibility and decision-making.

In December last year, we introduced the Resource Management (Consenting and Other System Changes) Amendment Bill 2024. This included amendments to the Resource Management Act 1991 to make freshwater farm plan certification and auditing more practical and cost-effective, by enabling industry organisations to deliver these services. The Bill will also amend section 70 to enable diffuse discharges to be managed through permitted activities, provided improvements are made over time.

As part of our Quarter 1 Action Plan for 2025, Cabinet took decisions on:

- a new national direction for freshwater and pragmatic rules for on-farm water storage and vegetable growing; and
- system design for improved and simplified Freshwater Farm Plans.

It's likely we'll seek feedback on these matters this year. I encourage you to make a submission when that happens.

Science system reform

The Government is enhancing science and innovation by making changes to New Zealand's science, innovation, and technology system. Key changes include establishing a new agency, Invest New Zealand, as the Government's one-stop-shop for foreign direct investment, and developing a national policy for managing intellectual property for science, innovation, and technology-funded research.

Another key change is the transformation of the current seven Crown Research Institutes (CRIs) into three Public Research Organisations (PROs) focusing on bioeconomy, earth sciences, and health and forensic sciences. Under this model, we expect that most of the primary sector's science capability needs will be delivered out of the Bioeconomy PRO which aims to drive innovation and enhance the value of New Zealand's bioeconomy.

To support the Government to take decisions on the establishment details of PROs, the Ministry for Primary Industries (MPI) is analysing what critical science capabilities are required to support New Zealand's primary sectors and related systems. For the horticulture sector, this will include science capabilities related to plant breeding and genetics, biosecurity (pest detection and surveillance, diagnostics, and integrated pest management), soil health and agro-ecological research, water management, and technology and innovation.

Immigration reform

Last year, the Government made changes to Accredited Employer Work Visa (AEWV) settings that will make it easier for horticulture employers to recruit higher-skilled migrant workers such as agronomists and orchard managers. Changes included:

- removing the median wage requirement and allowing employers to recruit at market rates;
- reducing the experience requirement for migrants from 3 years to 2 years;
- increasing the visa duration for ANZSCO Level 4 or 5 AEWV holders to 3 years; and
- in November 2025 a 3-year multi-entry visa for experienced, highly-skilled seasonal workers will also come into effect.

Changes were also made to the Recognised Seasonal Employer (RSE) scheme in 2024 to reduce costs and compliance for employers, and increase flexibility for workers. These included:

- allowing employers to average the 30 hours per week pay requirement over a four-week period;
- removing the accommodation cost freeze;
- the New Zealand minimum wage plus ten percent wage requirement only applying to workers returning for their third or fourth season;
- multi-entry visas for workers;
- improved flexibility for RSE workers to move between employers and regions; and
- increasing the cap by 1,250 workers to 20,750 for the 2024/2025 season in line with industry projected worker demand for the coming season.

The 2025/26 RSE work programme will consider substantive, longer-term options to further improve the wider RSE system and worker welfare settings.

Gene Technology Bill

The Government is looking to reform gene technology laws to enable safe use of gene technology and regulated organisms in New Zealand. The intention is to establish an efficient, risk-proportionate regime where lower risk activities can be carried out while higher risk activities remain regulated.

Submissions on the Gene Technology Bill closed 17 February 2025. The Health Committee received just under 15,000 written submissions which have been published on the Parliament website after they were reviewed by the Committee. The Ministry for Business, Innovation, and Employment is leading the submissions analysis, and the Health Committee has heard hours of oral hearings.

I understand many of you made a submission and I want to thank you for taking the time to engage constructively on the Bill. It is important that the sector's perspectives are heard, and I encourage you to continue engaging constructively with the process.

Ministry for Regulation review into the approval path for agricultural and horticultural products

The Government is committed to improving access to agricultural and horticultural products to boost sector growth and productivity. The Ministry for Regulation (MfR) has produced a report and recommendations following its review of the approval path for agricultural and horticultural products. The report contains 16 recommendations for improving the approval pathway under the Agricultural Compounds and Veterinary Medicines (ACVM) Act 1997 and the Hazardous Substances and New Organisms (HSNO) Act 1996. It will be important for the sector to work with government agencies on implementation of these recommendations.

Officials at MPI have assured me that they are committed to engaging on and exploring additional opportunities to improve access to new and innovative agricultural and horticultural products to support farmers and growers under the ACVM-HSNO approval pathway. MPI has work already underway or ready to begin on 8 of the 13 recommendations applicable to MPI relating to the ACVM Act. Some of the key examples of work being progressed by MPI for supporting the sector under the ACVM regime include:

- streamlining data efficacy requirements to focus on core statutory risks for assessment of applications for inhibitor products;
- launching the first phase of our new ACVM Approvals Online system in February – the new online system is a self-service portal that supports businesses that engage with the ACVM regulatory system to obtain regulatory approvals with more simplicity and transparency; and
- continuing to work on international harmonisation – through prioritising international engagements and exploring the applicability of overseas regulators' assessments – to find ways to improve efficiency for approving new ACVM products.

Trade and market access

The Government is committed to maintaining and enhancing market access opportunities for the horticulture sector. I encourage you all to look for ways to maximise the current access we have and the new hard earned market access we have gained. In 2024, we completed 8 horticulture market access priorities, including new access for blueberries to Korea and agreed trade conditions for onions to the Philippines.

We also recently signed a Memorandum of Cooperation with India to reinforce New Zealand's commitment to enhancing collaboration with India in the horticulture sector. The MOC aims to foster closer ties between our two countries horticultural industries, focusing on areas such as technical exchanges, harvest and post-harvest management, training, and the sharing of technological expertise.

MPI is working closely with industry groups to optimise the requirements and compliance costs of trading as greater expectations and scrutiny is being applied by trading partners. Ensuring that pest management, quality, and food safety systems are robust will be essential to maintaining successful market access. There is good work underway between MPI and the sector on the recently revised trade conditions for onions to Indonesia without fumigation.

During January and February this year, MPI hosted a series of virtual audits by Chinese government officials for kiwiberry exports. Following these successful audits, the first kiwiberry shipment was exported in February 2025, which is the first time kiwiberry has been exported to China since 2016. In March, MPI hosted Viet Nam Government officials for an in-person audit, which is an entry requirement for trade of squash to Viet Nam.

To reduce barriers for horticulture exports, it is important for the Government to be involved and committed to the development and use of international standards. For example, New Zealand's involvement in the International Plant Protection Convention maintains New Zealand's strong reputation and ability to influence international decision-making and standard setting. The relationships and capital built up through these engagements has been successfully leveraged in the past to support wider New Zealand trade outcomes, including market access negotiations and managing the trade impacts from adverse events.

Modernising the Biosecurity Act 1993

Consultation closed last year on proposed changes to the Biosecurity Act. Thank you to those of you who made a submission. The 30-year-old Act needs an update so it remains fit for the future. Officials are developing further advice now. I encourage you to get in touch with the team if you would like to discuss anything in your submission in more detail.

As always, thank you for continuing to voice your aspirations, needs, and concerns as a sector to me. Your feedback is vital to ensuring that the ongoing success of the sector is well considered in government work and policy development. Please feel free to share this letter widely with your stakeholders. I look forward to continuing to work with you all and what the year ahead will bring.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'N. Grigg', written in a cursive style.

Hon Nicola Grigg
Associate Minister of Agriculture