



GENERAL INFORMATION ON THE COMMODITY LEVIES (SUMMERFRUIT) ORDER 2014 IMPLEMENTED 14 AUGUST 2014

1. Who is the levy paid to?

Summerfruit NZ Incorporated
PO Box 25255
Wellington 6146

Phone: 04 830 0935
Email: marie@summerfruitnz.co.nz
Website: www.summerfruitnz.co.nz

2. What commodity is the levy collected on?

The commodity that is levied is summerfruit namely: peaches, nectarines, plums, apricots, cherries and the hybrids thereof.

The levy is imposed on summerfruit produced in New Zealand for commercial purposes. Commercial purposes means that fruit which is:

- i. sold within New Zealand for consumption as whole fresh fruit, or
- ii. sold for resale as whole fresh fruit, or
- iii. exported as whole fresh fruit, or
- iv. sold as whole fresh fruit within New Zealand for processing, or
- v. processed before sale.

3. Who pays the levy?

All growers producing summerfruit for commercial purposes are primarily responsible for paying the levy.

Any levy payer or collector who objects on conscientious or religious grounds to paying the levy in the manner provided for by the proposed levy order will be able to pay the levy to the Chief Executive of the Ministry for Primary Industries. In such cases the Chief Executive will on-pay the levy to Summerfruit NZ.

4. How will the levy be calculated?

A change to the way the levy is calculated is proposed. Refer to the *General Information for the Ballot Paper for Summerfruit NZ Incorporated Commodity Levies (Summerfruit) Order 2014 Amendment Referendum*. This document is available on the Summerfruit NZ website www.summerfruitnz.co.nz or on request from marie@summerfruitnz.co.nz.

5. How much is the levy?

The levy is paid at two rates.

- i. **For apricots, nectarines, peaches and plums and the hybrids thereof**
the maximum rate is 1.75% plus GST. Currently the rate of the levy is 1.5% plus GST.
- ii. **For cherries**
the maximum rate is 1.0% plus GST. Currently the rate of the levy is 0.75% plus GST.

6. Are there any exemptions from paying the levy?

Growers who sell summerfruit to Heinz Wattie's Limited on contract for processing are exempt from payment of the levy on the condition that:

- Heinz Wattie's imposes a research and development levy on persons selling summerfruit to it on contract for processing and,
- The rate of the research and development levy is equal to or greater than the relevant levy rate set under this order and,
- Heinz Wattie's makes available to Summerfruit NZ the research information arising from its use of the research and development levy.

Summerfruit NZ will suspend this exemption if the above conditions are not met.

Summerfruit NZ will notify growers if the exemption is suspended, or no longer applies, or if it is subsequently reinstated.

7. How the actual levy rate set?

At any Annual General Meeting or Special General Meeting, in accordance with the rules, Summerfruit NZ is able to alter the rate for the following year, so that it is either below or at the maximum rate. If for any reason a rate is not set at the AGM or SGM, then the levy rate remains at the rate last set.

The AGM on 13 June 2017 confirmed that the levy rate will remain unchanged.

The levy year refers to the 12 months between 1 September and 31 August.

8. How am I notified of the rate?

As soon as practicable after fixing the levy rate in any year, Summerfruit NZ will give notice of the rate in the New Zealand Gazette and the industry publication produced by Summerfruit NZ and the Summerfruit NZ website, www.summerfruitnz.co.nz.

9. What is the levy to be spent on?

The general purposes for which Summerfruit NZ may spend the levy are:

- research including market research
- development of products
- development of markets
- protection or improvement of plant health
- development and implementation of quality assurance programmes
- education, information, or training
- administration of Summerfruit NZ.

The levy will not be spent on any commercial or trading activity. Summerfruit NZ will spend all levy money paid to it, or invest it pending its expenditure. Summerfruit NZ does not intend to create substantial reserves from funds collected from levy.

10. Can I have a say on how the levy will be spent?

Each year prior to its AGM, Summerfruit NZ distributes the accounts for the past year and spending proposals for the following year. Levy payers are able to discuss expenditure of the levy at this meeting, and special meetings which may be called from time to time as necessary, according to the rules of Summerfruit NZ.

11. How do I pay the levy?

Where growers have direct sales, other than to a collection agent, those growers must deduct levy from those sales and pay the levy directly to Summerfruit NZ. Direct sales include:

- i. growers own roadside sales
- ii. farmers markets
- iii. flea markets
- iv. sales conducted by electronic means including via the internet
- v. supply to retail outlets.

In the case of grower-processors the levy is to be paid directly to Summerfruit NZ.

In other cases, the levy is to be recovered and paid to Summerfruit NZ by the collection agent.

Growers and collection agents may submit levies via the Summerfruit NZ website www.summerfruitnz.co.nz. Collection agents must declare the amount of levy collected on growers' behalf and growers must declare any levy due on direct sales.

12. When are the levy payments due?

The levy is paid monthly. The due date of payment of the levy is the day on which the fruit is sold or processed or exported. The latest day for payment of the levy is the 20th day of the month following sale.

A penalty of 5% of the entire amount of the levy which remains unpaid on the latest day for payment will be payable. In addition, a penalty of 2% per month will be payable on the unpaid amount of levy (not including any penalties) which is not paid within a month after the last day for payment.

13. What is a collection agent?

A collection agent is a person whose business is or includes:

- i. buying summerfruit from a grower for resale fresh or export fresh or for processing for sale or,
- ii. selling or exporting or processing summerfruit on behalf of a grower.

Collection agents include brokers, wholesalers, merchants or exporters.

Where a grower sells summerfruit to another grower for resale, the receiving grower shall be considered to be the collection agent.

14. Do collection agents receive a collection fee?

- i. A collection agent paying the levy may deduct from the levy a collection fee of not more than 4% of the amount of the levy (exclusive of GST) plus the GST payable on the fee.
- ii. No grower who pays the levy directly to Summerfruit NZ may deduct a collection fee.

15. What information must collection agents supply to Summerfruit NZ?

Collection agents must provide the following information to Summerfruit NZ for the purposes of determining the amounts of levy payable:

- the name of the grower
- the quantity of the commodity purchased and sold, exported or processed by fruit type
- the rate at which the levy was collected
- the price received or paid, or value placed on each fruit type
- the amount of levy collected and paid to Summerfruit NZ
- the amount of the collection fee (if any).

16. What records have to be kept?

All those involved in collecting or paying the summerfruit levy need to keep the following information for at least two years after the date of payment of the levy to Summerfruit NZ.

Growers must retain:

- the name and contact details of any collection agent (if any)
- the quantity of the commodity sold by fruit type
- the price received or value placed on the summerfruit
- the rate at which the levy was collected
- the amount of levy paid to Summerfruit NZ
- a copy of every levy form submitted to Summerfruit NZ.

Collection agents must retain:

- the name and contact details of the grower
- the quantity of the commodity purchased and sold
- the rate at which the levy was collected
- the price received or paid, or value placed on the summerfruit
- the amount of levy collected and paid to Summerfruit NZ
- the amount of the collection fee (if any)
- a copy of every levy form submitted to Summerfruit NZ.

Summerfruit NZ must retain:

- the name and contact details of the grower, or collection agent (if any)
- the price received or paid, or value placed on the summerfruit
- the amount of levy collected and paid to Summerfruit NZ
- the amount of the collection fee (if any)
- information on how the levy is spent.
- a copy of every levy form submitted to Summerfruit NZ.

Every grower and collection agent must, as soon as is reasonably practicable after receiving Summerfruit NZ's written request for the grower or collection agent to do so, give Summerfruit NZ written notice of any information Summerfruit NZ needs to enable it to calculate any amount of levy payable.

17. What happens to the information on me that is collected?

Some information is gathered when collecting the levy. Unless required to do so by law, or with the consent of the individuals concerned, Summerfruit NZ or collection agents are obliged to keep the information confidential.

This does not prevent Summerfruit NZ from disclosing such information:

- for the purpose of producing records or accounts under section 17(1) of the Commodity Levies Act 1990 (which relates to the rights of the Minister to have accounts audited);
- for the purpose of producing any statement under section 25 of the Commodity Levies Act 1990 (which relates to annual reports and statements);
- which is necessary in the giving of evidence in any legal proceedings taken under or in relation to this order, or under the Commodity Levies Act 1990 in relation to this order;
- for statistical or research purposes but in such a form that does not identify any individual levy payers or levy collectors;
- to assist in the invoicing and collection of levies.

INFORMATION

For information on the collection and spending of the Commodity Levies (Summerfruit) Order 2014 or the proposed amendment referendum, contact:

Marie Dawkins
Chief Executive
Summerfruit NZ
PO Box 25255
Wellington 6146
Ph 64 4 830 0935
Mob 021 460 200
www.summerfruitnz.co.nz