

OUR MERGER WITH ARPPA

A stronger voice for crop protection and animal health

Agcarm and the Animal Remedy and Plant Protectant Association (ARPPA) are joining forces to become one united industry voice called the Animal and Plant Health Association of New Zealand Inc. (abbreviated to Animal and Plant Health New Zealand).

Together, our two associations represent more than 90 percent of New Zealand's animal health and crop protection manufacturers - a one billion dollar industry, with a value of \$20 billion to the New Zealand economy - as well as rural retailer businesses and associate members.

The merger is a significant milestone in our 74-year history and increases the capability and resources we offer our growing membership base. We look forward to joining forces with ARPPA members and welcoming their contribution to continue our mission of Healthy animals, Healthy crops and Healthy business.

Covid-19, supply chains and new

regulations are causing complex challenges for our industry, so it's the right time to unite and strengthen our voice on these and other industry issues.

Agcarm was established 74 years ago and has undergone two name changes, 35 Presidents as well as many legislative changes, political leaders, and changing consumer demands. Before the merger, it had 68 members: 48 New Zealand-based companies; and 20 global companies.

“It's the right time to unite and strengthen our voice”



MARK ROSS
CHIEF EXECUTIVE

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AGCARM ANNUAL CONFERENCE

One united voice.

28 JULY 2022

We continue our theme of one united voice at this year's annual conference.

Join us at our premier networking event and hear from industry experts, including Pauline Blomfield, Founder and CEO of K9 Detector Dogs - the company that uses specially trained dogs to help detect cancer and other diseases. We will also hear from the Minister of Agriculture Damien O'Connor, plus get motivational inspiration from rugby legend, Ian Jones, aka 'the Kamo kid'.

As a leading voice in New Zealand agriculture, Sarah Perriam will share her learnings from a decade in a changing media landscape.

A cocktail evening with invited guests, dinner and social evening will follow the conference for optimal networking with our membership, politicians, regulators and stakeholders.

- [Get tickets](#)
- [Programme](#)

See our [conference page](#) for more information.

HSNO AMENDMENT BILL NOT ALIGNED WITH INDUSTRY FEEDBACK

The jury is out on whether proposed changes to the Hazardous Substances and New Organisms (Hazardous Substances Assessments) Amendment Bill will increase efficiencies in processing new product applications by the Environmental Protection Authority (EPA).

The bill aims to improve the assessment and reassessment processes for hazardous substances, allowing the EPA to make better use of data, assessments, and information from international regulators.

A comprehensive submission by Agcarm, based on input from our member companies, was largely ignored by the Environmental Select Committee, as were 25 submissions from other organisations.

No significant change to what government officials proposed resulted from the submission process.

The intent of the bill - to improve decision-making by the EPA - is on point. However, the bill won't do this on its own. More technical experts and resources are needed to speed up the application process and safeguard people and the environment.

The proposal to allow the EPA to make better use of international information is

a moot point, as this is already extensively used for product applications.

From an industry perspective, greater effort into processing new applications for greener products would be a better direction for government, as would implementing a more effective system for approval of trials in containment, for example.

A data protection clause also needs to be inserted into the Hazardous Substances and New Organisms Act to help encourage innovation and bring safer and greener products to New Zealand.

Agcarm will continue to drive this, especially as the government has indicated that it is amenable to a future review.

- Read the [committee's report on the Parliament website](#), with the evidence and advice that the committee received.



SUPPLY CHAIN DISRUPTION

Shipping constraints, rising production costs and ongoing uncertainty are major threats to supply.

The supply of agricultural inputs is volatile and unpredictable, much like the situation that emerged in the Spring of 2020. Businesses are well-rehearsed in managing supply issues, but a web of intertwining factors are creating disruption and inflating costs.

Costs have risen dramatically over the past year due to increasing costs for shipping, air freight and raw materials.

On top of this, supply chain disruptions are being caused by China's continued zero-COVID policy and shipping delays, which are now commonplace. This is being aggravated by an emerging issue of containers being off-loaded in Australia due to ships not sailing to New Zealand.

Locally, capacity constraints due to a lack of available staff are creating issues at ports, warehouses and manufacturing operations, trucking and courier companies.

Worldwide shortages of active ingredients needed for the New Zealand agrichemical market are causing issues in securing supply.

The Russian invasion of Ukraine is exacerbating the situation due to price hikes in fuel and oil-based products as well as restricting the supply of grains and fertiliser.

Costs are predicted to continue to rise for the remainder of the year as suppliers can no longer absorb them. The rising fuel costs will likely set off the next phase of increases. Some expect this upward trend to continue until 2024.

Animal health products are expected to increase in price due to the adjuvants and mixers that go into some products - particularly anything oil based - on the back of the Ukraine crisis. This could equate to between \$300 to \$400 per drum. Items containing steel, such as milk feeders, head bails, trailers etc, are difficult to source and costs are rising rapidly due to the galvanising component.

Even posts are also becoming difficult to source as mills across the country are

Farmers and growers should already have secured agrichemical supplies for the remainder of the year. Providing a lead time of six months ahead of usual purchasing times is sensible as it allows suppliers to manage the continuity of supply. It's also important not to bring orders too far forward of normal purchasing patterns to avoid further disruption.

Rather than ordering greater quantities of product, farmers and growers should



CAPTION: THERE IS WIDESPREAD CONCERN ABOUT THE IMPACT OF INFLATION DUE TO SUPPLY ISSUES

short of supplies, with domestic demand remaining strong.

Compounding these issues, is the purchasing of products outside of usual timeframes.

Agrichemical suppliers are forecasting and purchasing many months ahead of usual, but it is complicated this year. A few months ago, some trade lanes started opening up and container costs started to ease. These 'green shoots' of recovery have now disappeared again.

Early ordering increases the chances of people getting the products they need, but stockpiling could create more problems.



CAPTION: FARMERS COULD BE HIT BY SUPPLY CHAIN ISSUES

research alternatives ahead of time and seek advice from their merchant reps, who can help solve any pest problems in case any preferred brand is temporarily in short supply. Growers should discuss the substitute product's fit with the crop programme and ensure it meets processor, exporter or importing country requirements.

Stockpiling will lead to stockouts with importers and retailers. This, combined with shipping delays, will magnify any shortages.



CAPTION: Negombo, Sri Lanka – April 13, 2022: Vehicles queuing in a long line at a gas station during the economic crisis of Sri Lanka.

ORGANIC AMBITION ADDS TO SRI LANKA'S ECONOMIC CRISIS

The Sri Lankan government is being blamed for a food crisis, following a ban on agrichemicals and chemical fertilisers.

As Sri Lanka battles one of its worst economic crises in over 70 years, the central bank has proposed a package of measures to the Sri Lankan government to help alleviate shortages and curb inflation.

Last month, President Gotabaya Rajapaksa acknowledged that he made mistakes which had led to the crisis, including banning agrichemicals to make Sri Lankan agriculture fully organic and delaying an appeal to the International Monetary Fund for help.

The ban, introduced in May 2021, sought to realise Rajapaksa's ambitious goal of being the world's first completely organic

farming nation. This botched scheme was part of a wider import ban that plunged the farming sector into crisis and was renounced months later.

Exports of goods and services were already hampered by the pandemic. A lack of foreign exchange was triggering shortages of food, crude oil and other essential goods. The nation's trade deficit increased, eroding foreign reserves.

Foreign reserves fell to \$2.8 billion in July, down from \$5.6 billion at the end of 2020, providing the government with a rationale for harsh import restrictions on goods, including food.

Supermarkets were already rationing milk powder, sugar, lentils and other essentials as commercial banks ran out of dollars to pay for imports.

Food shortages worsened after the ban on agrichemical imports, resulting in widespread crop failures and intense farmer protests. About a third of Sri Lanka's agricultural land was left dormant because of the ban.

The government quickly abandoned its quest in November 2021, announcing that it would immediately lift an import ban on pesticides and other agricultural inputs. This followed the renouncing of the ban on fertiliser imports for tea, the country's main export earner.

Sri Lanka's Agricultural Ministry Secretary, Udith Jayasinghe was quoted as saying:

"We will now allow chemical inputs that are urgently needed."

"Considering the need to ensure food security, we have taken this decision."

Shortages worsened in the week before the ban ended, with prices for rice, vegetables and other market staples doubling across the country.

The devastating effect of the government's sudden decision to stop importing chemical fertilisers and pesticides is still being felt in tea plantations and paddy fields.

In the aftermath, compensation was promised to more than a million rice farmers after their crops failed. Agreeing to pay 40,000 million rupees (NZ\$ 296m), Agriculture Minister Mahindananda Aluthgamage said in late January, "We are providing compensation to rice farmers whose crops were destroyed".

While the government has rolled back many of the policies that hurt the nation,



CAPTION: The future's not so bright Sri Lanka's tea pickers in light of the country's worst economic crisis in 70 years, due, in part, to a ban on agrichemicals

the Central Bank has continued to restrict banks from issuing letters of credit to traders seeking to import food and other items, aggravating shortages.

As a result, many of the island's 22 million residents, more than three-quarters of whom live on less than \$10 a day, are eating less.

The policy to ban farming inputs was a mistake. Changing farm systems overnight has had devastating impacts on the people of Sri Lanka, especially farmers. Any change to farming requires careful analysis and consultation with farmers and their representatives, including accounting for individual circumstances and growing conditions. Idealised policy can lead to costly mistakes when the reality of the changes bite and remedial actions are needed to rectify them.

ANIMAL HEALTH REPORT

An inaugural report by KPMG and Agcarm reveals that New Zealand's animal-based industries would lose \$12 Billion per annum without animal health products. These industries represent most of New Zealand's exports.

Animal health products prevent disease from occurring and manage it if it does. They also prevent animals from spreading disease to people, which protects human health and livelihoods.

Read the [full report](#)

Without animal health products farming industries would lose

\$12 billion per annum from lost production

For each industry, this represents a loss of:



DAIRY

\$7.68 billion

40% of total revenue



SHEEP & BEEF

\$3.22 billion

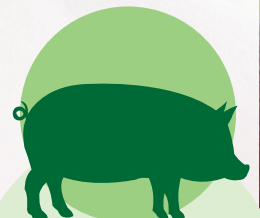
35% of total revenue



POULTRY

\$0.8 billion

80% of total revenue



PORK

\$0.089 billion

50% of total revenue


NZ's animal health industry:


- Supports food security by providing safe and healthy food
- Prevents animal diseases from transferring to humans e.g. leptospirosis
- Supports prudent use of antibiotics in animals to reduce the risk of antimicrobial resistance.

Heathy animals....

- offer health and wellbeing benefits to pet owners
- help protect the border, the Police and offer guiding services
- produce more for the resources they use

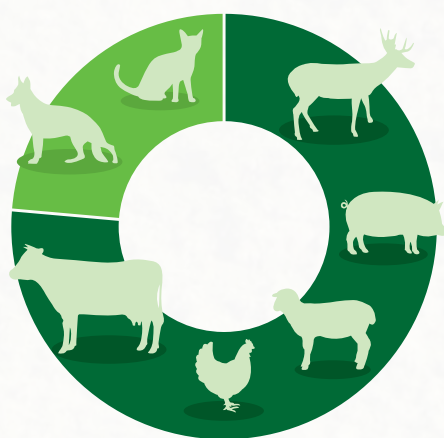
NZ's animal health industry

 is relatively small – contributing **\$430 million** to New Zealand's economy – but punches above its weight based on its contribution.

 is concentrated with a **90%** market share held by seven companies, the rest is made up of smaller businesses.

NZ's animal health spend

20-25%
Pets and
working animals



75-80%
Farming

Most of NZ's animal health spend is on products for farm animals such as cattle, sheep, chickens, pigs and deer. Up to **25%** is spent on pets and working animals.

Trends

Growth of products aimed at **preventing disease** such as vaccines and nutritional supplements.

Decline of treatment products e.g. antibiotics.



The **value of antibiotics** is expected to continue **declining** due to New Zealand's strategies to reduce the risk of antimicrobial resistance (AMR).



Environmental benefits



Healthier animals produce more for the energy, water, and land they use – and produce less methane per unit of production.

Newer, greener products lead to lower residues in the environment.

Opportunities for developing products to **reduce methane** production in farm animals.

Enables more sustainable farming e.g. provides products for free-range chickens that experience different diseases compared to colony chickens.

Agrichemical management updated

Disease and pest free animals and crops rely on agrichemical use.

Pesticides, detergents and sanitisers are a critical component of New Zealand's 48 billion-dollar agricultural sector.

The 'NZS 8409:2021 Management of agrichemicals' provides guidance for spray operators, farmers, growers and other users to manage a range of chemicals safely, responsibly and effectively. Having undergone its first review in 17 years, the widely-used Standard brings agrichemical use into the 21st century. The review has left no page unturned in offering good practice advice.

Specifically targeted for addressing New Zealand's distinct climate, environment and legislation, the Standard helps exporters to comply with quality assurance programmes such as New Zealand Good Agricultural Practice (NZGAP) – allowing them to sell produce in overseas markets.

The Standard has been reviewed to ensure that it remains relevant for new technologies such as automated sprayers, unmanned aerial vehicles and drones.

A collaboration between 17 committee representatives - users, central and local government, and industry (including Agcarm) - as well as a public consultation, ensured the voice of all parties was heard.

New Restricted Entry Intervals Proposed

WorkSafe proposals on new Restricted Entry Intervals (REIs) – relating to the time residues of pesticides are likely to be present - are unworkable and would result in crop losses.

The changes could see re-entry periods for diazinon, which has a zero-grazing withholding period, increased from one day to 76 days.

WorkSafe requires the Person Conducting a Business or Undertaking to manage or control an area to ensure that no one is present or enters the area until the end of the restricted entry interval unless they are wearing Protective Personal Equipment (PPE). The appropriate PPE will depend on the crop and protection needed against residues by anyone entering an area during the REI. This may range from gloves to more protective types of PPE.

At a recent Agcarm workshop, WorkSafe provided clarification on the proposals, and explained that it is open to reviewing the proposed REIs if members provide scientific data on their products to demonstrate a variation on the proposals.

- [Submissions on the proposals](#) are due on 5 May 2022.

Speaking out about resistance

Jeff Howe discusses the importance of managing antimicrobials.

- [Watch video](#)



JEFF HOWE
TECHNICAL
DIRECTOR -
ANIMAL HEALTH

FATE OF CHEMICALS REPORT

The 'Regulating the Environmental Fate of Chemicals' report by the Parliamentary Commissioner for the Environment, Simon Upton, asks how well our regulatory system understands the environmental fate of chemicals, including agrichemicals.

The report, released in March 2022, recommends a move to understanding more about the quantities of chemicals entering the environment and prioritising action for contaminants that pose the highest risk.

The reality of this happening with the current regulatory resourcing seems unlikely. Reassessment of the priority list of chemicals is funded by the Environmental Protection Authority (EPA)'s core \$1 million budget.

The report highlights that it would take the EPA 16 years to work through the Priority Chemical List, and recommends that the Ministry for the Environment develop regulations to empower the EPA. It also recommends that the regulator acquire information on the quantities of chemicals imported and manufactured.

This seems impractical given that the measures for managing and using agrichemicals and veterinary medicines are robust and support our environmental outcomes.

Regular national surveys of neonicotinoids and other pesticides in over 270 groundwater sites assure us that our environment and drinking water are safe, with results from all sites at levels far below the Maximum Accepted Value.

As a leader in sustainable food production, the agrichemical industry will continue to collaborate with the government to safely manage agrichemicals in the environment.

- [Regulating the Environmental Fate of Chemicals report](#)

A NOD TO JOHN YATES

As quiz and marketing master, President, Vice-President, board member and multi golf-cup winner, John Yates has a long history with Agcarm.

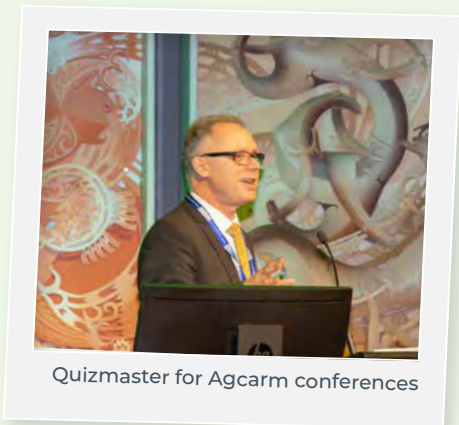
John was President during a difficult time of dropping membership and yet significant legislative changes needing industry input.

He was also on the board that gave the green light to go ahead with our industry's rural recycling scheme, Agrecovery.

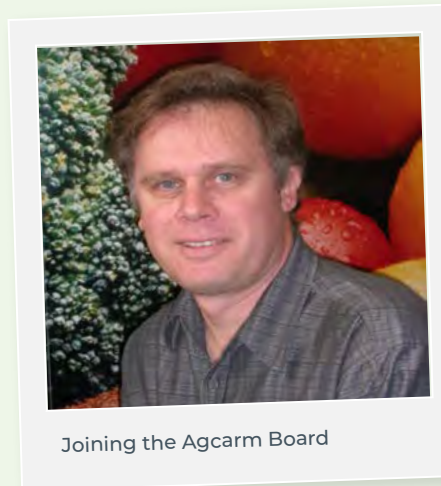
John made a strong contribution to the board from 2005 to 2012 as Vice President, President and then immediate past President.



Agcarm Board 2010 (John as President)



Quizmaster for Agcarm conferences



Joining the Agcarm Board



Golf-cup winner two years running



The fun-loving board of 2011



John saw his seven years on the Agcarm board as a privilege.

One of his highlights is giving the go-ahead for Agrecovery. The programme was initiated so that our industry could take responsibility for its products - after several years of research and investigation to find the most suitable product stewardship scheme.

Since then, he says that “Agcarm has gone from strength to strength as an industry body that its members are proud to be a part of”.

John says he “can’t think of a better industry to have had a career in”.

“It’s competitive, but it gets in your blood.

“There’s something about agriculture that’s unique and very rewarding. Every season is different.”

The industry is committed to helping farmers grow affordable and healthy food.

“They can’t do this without the responsible use of modern chemistry to help protect their crops from pests and diseases”.

However, increased regulation is “making it harder and slower to bring in new technology”.

John retired from his role as Syngenta’s country manager in March after spending 33 years with the company.

Initially, working for the-then Ciba-Geigy in 1989 as product manager for crop protection. He went on to sales and marketing before becoming country manager. His Syngenta colleagues will miss his encyclopaedic product knowledge, abundant enthusiasm for marketing campaigns and nozzle application technology.

John says he is “looking forward to the next 33 years without the deadlines and work pressure”. He plans to spend this time fishing, playing golf and making and selling amber and greenstone jewellery.



AGRECOVERY UPDATE

Farm plastics report nears completion

After nearly two years of extensive consultation with stakeholders, Agrecovery is in the final stages of drafting the Green-farms Product Stewardship Scheme report to the Ministry for the Environment.

Responses to the draft report have been considered and a peer review completed. Once submitted, the Ministry will consult on the scheme compliance and regulations.

Soft Plastics Product Stewardship Scheme up and running

The Seed, Feed, Fertiliser scheme, launched in late September 2021, introduced the first range of plastics, LDPE (low density polyethylene) bags. This scheme is incredibly complex due to the multitude of plastics, with each needing to be handled separately and sorted at source.

Agrecovery is receiving numerous calls each week from growers and farmers looking for a sustainable solution to their plastic recycling. To date, over 1,500 liners have been distributed to Agrecovery members,

each capable of holding up to 100 LDPE bags. Agrecovery is excited by the growth of the scheme as new brands join and the number of collection locations increase across the country.

Agrecovery is also designing a Product Stewardship Scheme for woven PP bags. Those who sell products in woven PP bags, of 25kg and under, are invited to have their say on designing a scheme to provide a much-needed solution for their customers. Contact [Felicity Mitchell](#) for more information or to discuss this.

Household Pest and Weed scheme trial expanding

The implementation of the Household Pest and Weed scheme in Christchurch is progressing well, with active engagement from all stakeholders. Agrecovery will shortly be expanding the scheme into Blenheim and is engaging with the Auckland City Council.

These trials test the different collection techniques and provide data on the quality of the plastic (clean, dry and correct product).



PLAN TO BEEF UP WORMWISE

Ginny Dodunski will lead a revised action plan to help manage parasite resistance to drenches.

A revised Wormwise Action Plan was launched in October last year. It encourages responsible marketing and sales of drench, easier and more accurate parasite testing, research to demonstrate the costs and benefits of various parasite management approaches and better training and development.

Better engagement with farmers, more resources, and a national survey to determine the extent of the problem also feature in the blueprint.

Wormwise is a partnership between Beef + Lamb New Zealand (B+LNZ), the Ministry for Primary Industries (MPI), Agcarm, the New Zealand Veterinary Association and other stakeholders.

The development of the Action Plan follows an independent review of the Wormwise strategy carried out with industry input - including farmers, veterinarians, drench sellers, MPI, B+LNZ, DairyNZ and Fonterra.

“Sheep and beef farmers rank resistance of parasites to drench as their single biggest animal production challenge,” says

Dan Brier, general manager farming excellence at B+LNZ.

“Parasite resistance to drenches is now widespread, appears to be getting worse, and a new approach is necessary.”

He adds that New Zealand also faces new challenges - including potential increased risk from new or more widespread parasites arising from climate change, the low likelihood of new drench products becoming available, as well as greater transparency demanded by consumers on animal welfare and the use of chemicals in farm production systems.

Additional resourcing is required to enact the plan, so the Trust has appointed rural vet Ginny Dodunski as the manager of the Wormwise programme, effective from May 2022.

Dodunski sees raising the profile of Wormwise across the rural sector as an important focus. Her role will include ensuring activity across the industry is linked up across researchers, industry, government, vets, drench companies and farmers.

■ [The Action Plan](#)

Welcome, new members

Crop protection manufacturers



As a New Zealand privately-owned crop protection business, Agrisource looks forward to supporting the contribution and ongoing work of Agcarm at all stakeholder levels within New Zealand agriculture.

Andrew Thompson, former Agcarm board member and General Manager of Agrisource, says that the company is thrilled to join Agcarm. "In a world that is constantly changing and evolving, being part of a professional body such as Agcarm that promotes responsible product stewardship and actively lobbies for progressive and sensible policy is hugely appealing."

It's a "natural alignment," he says.

■ agrisource.co.nz



Grosafe researches and develops new chemistry and innovative products. CEO David MacGibbon says "we are continually looking at ways to improve existing products and formulations, packaging and ease of handling, benefitting customers and growers.

"We actively source and develop a range of certified organic products, with a focus on helping to meet the challenges of sustainable farming by introducing softer, more environmentally-friendly, innovative products to improve market access for our primary produce."

[Grosafe](https://www.grosafe.co.nz) will "become an active participant" in supporting Agcarm's representation and advocacy work on behalf of its manufacturers, retailers and industry associates. "At this time of change and complexity, whether driven by policy, market dynamics, environment or consumer preference, it is critical that a clear and cohesive voice is given to our industry's issues. We are happy to be a stakeholder and eager to help play our part in that conversation," adds MacGibbon.

Welcome, new members



Corporate associate

Christchurch-based manufacturing company Tumblr recently decided to grow the agribusiness arm of the business. It offers new product development, supply chain sourcing, manufacturing and logistics services.

The company produces fungicides, fertiliser, adjuvants and other plant-based controls, animal additives, sanitising liquids and powders, pest control methods, insecticides etc.

Given the global issues with freight, manufacturing and supply, Business Development Manager Gary Loader says that the company is “uniquely placed to offer ongoing supply of products and services to the NZ based agribusiness community”.

Tumblr joined Agcarm as a vehicle for interacting with potential customers. Gary looks forward to meeting other members at the conference in July.

■ tumblr.co.nz



Life member

Paul Munro was awarded life membership, recognising his significant contribution to Agcarm over his eight years as a member. Firstly as Peracto's Managing Director (later sold to Staphyt) and then as he started JPMunro Consulting.

Paul is also the Transition Technical Lead for the Horticulture NZ Sustainable Food and Fibre Futures Programme – A Lighter Touch: Agroecological Crop Protection to Meet Future Consumer Demands. ■

What is Agcarm?

Agcarm is the industry association which represents crop protection, animal health, and rural supplier businesses. Agcarm members distribute and sell the majority of veterinary medicines and crop protection products in New Zealand. Agcarm members promote responsible use of products right through the product life cycle, from research to disposal. Agcarm is also a positive voice for its members and lobbies for progressive and sensible policy.

For information on joining Agcarm, go to **AGCARM.CO.NZ**

Our mission is to protect and enhance the health of crops and animals through innovation, development and responsible use of products.

We work with governments and stakeholders from around the globe to shape policy and meet the shared goals of health and safety to protect the environment and the food chain.

Our ability to source information from experts around the world gives legislators access to the best advice.

Agcarm's priorities:

Safe Food / Provision of Innovative Compounds / Resistance Management / Healthy Animals and Crops / Product Stewardship / Bee Health / Sustainability.



The voice of crop science and animal health