

19 December 2018

Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6140

Via email to PVRActReview@mbie.govt.nz

Dear Sir/Madam

Re: Submission on the Ministry of Business, Innovation & Employment (MBIE) issues paper for the review of the Plant Variety Rights Act 1987

Please find attached a submission on the MBIE issues paper for the review of the Plant Variety Rights Act 1987. This submission is on behalf of kiwifruit growers across New Zealand.

Please do not hesitate to contact me if you require any further information on this submission.

Kind regards,



Nikki Johnson
Chief Executive Officer

TO: Ministry of Business, Innovation and Employment

SUBMISSION ON: The review of the Plant Variety Rights Act (PVR) 1987

NAME: New Zealand Kiwifruit Growers Incorporated (NZKGI)

ADDRESS: PO Box 4246, Mount Maunganui South 3149

1. The kiwifruit industry in the Bay of Plenty Region

Approximately 80% of New Zealand's kiwifruit crop is grown in the Bay of Plenty providing a significant contribution to the Bay of Plenty regional economy, with \$1.97 billion in revenue being generated for the region in 2015/2016¹. The industry provides significant employment to the Bay of Plenty Region employing 10,762 FTE in the year 2015/2016¹. Zespri, the kiwifruit marketer, has committed to more than double global sales revenue to \$4.5 billion by 2025. The projected growth of the industry will contribute significantly to the Bay of Plenty GDP increasing it by 135% from \$867 million to \$2.04 billion by 2029/2030¹. Employment in the kiwifruit industry is also expected to increase by 133% to 25,091 FTE by 2029/2030¹.

There are 2,421 orchards in the Bay of Plenty with an average size of 3.5ha.

2. Overall comments

Thank you for the opportunity to comment on the review of the Plant Variety Rights Act 1987. NZKGI has discussed the proposed review with Zespri (as the owner and licensor of PVR kiwifruit varieties) and Horticulture New Zealand. NZKGI supports the submissions of both Horticulture NZ and Zespri.

62% of kiwifruit growers that NZKGI represents have invested in the PVR-protected variety SunGold). Licences are sold in a closed tender process and recent bid prices have been high reflecting demand and the high returns this fruit earns. Investment in PVR-protected varieties is likely to continue into future as Zespri continues to innovate with new kiwifruit varieties. Kiwifruit growers have invested in PVR-protected varieties to access higher per-tray and per-hectare returns. These returns are achievable because the supply/demand for Gold3 (or SunGold) is managed.

As part of this review process NZKGI requests that consideration be given to the impact that uncertainty has on existing licencees of PVR-protected varieties.

One element of New Zealand's PVR regime that introduces some uncertainty for growers is the compulsory licencing provisions. NZ compulsory licencing rules are relatively untested and there is some uncertainty attributed to interpretation. NZKGI supports additional clarity around compulsory licencing provisions as this will provide more certainty for growers with significant investments at risk.

3. Further discussion

NZKGI welcomes further discussion from MBIE on the PVR Act review.