

PROPOSAL TO INCREASE THE AMERICAN FOULBROOD APIARY AND BEEKEEPER LEVY

Summary

American foulbrood (AFB) is the most serious disease affecting honey bees in New Zealand. It costs New Zealand beekeepers an estimated 6% of gross returns and poses a serious risk to New Zealand's honey exports, valued at \$329 million in 2017. Beekeepers contribute to the AFB National Pest Management Plan (NPMP) by carrying out disease control activities through inspecting hives, maintaining beekeeping best practice, and destroying hives found to be diseased. Beekeepers also pay a levy to the Management Agency to administer and operate the NPMP.

The current annual Apiary and Beekeeper Levy, approved in 2003, is \$20.00 per beekeeper and \$15.17 per apiary. This has proved insufficient to fully implement the NPMP; because of this lack of funding, the NPMP has not achieved its primary objective of 5 to 10% annual reduction in the level of AFB.

Since 2009 the beekeeping industry has experienced rapid growth with hive numbers increasing from 357,789 to 887,510, and beekeepers from 2,680 to 8,826. This growth has increased the risk of AFB, but resource constraints have prevented the Management Agency from taking further action to mitigate this increased risk. Consequently, the level of AFB has increased by an average of 15% per year since 2015. This increase is expected to continue unless the NPMP has greater resources, allowing it to do much more to reduce AFB.

The Management Agency is proposing to increase the apiary and beekeeper levy to a maximum of \$40 per beekeeper and \$50 per apiary. This will raise an additional \$2.15 million each year which will allow the NPMP to:

- **save 41,000 beehives and associated products valued at \$50 million from destruction over ten years**
- **enable exporters to meet overseas market access requirements for proof that NPMP rules have been followed**

An increased levy is required to make it possible to meet the NPMP objective of reducing the level of AFB each year. However, before the Management Agency Board makes a recommendation to the Minister for Biosecurity for a new levy order, we would like to hear your views on the proposed levy and investment plans. We are now calling for submissions which will be reviewed in September 2018, and we may make amendments to the proposed levy after considering these submissions. If the Minister accepts the new levy order, it will be in place by 31 March 2019.



How do I make a submission?

You can send your submission by **10 August 2018** either:

- online by following the link at <http://www.afb.org.nz/new-levy-proposal>

or

- completing the enclosed submission form, and posting back to us at:

The Management Agency, PO Box 44282, Lower Hutt 5040

The submission form asks for your views on:

- the proposed additional activities to control AFB, and
- the proposal to increase the apiary and beekeeper levy

You are welcome to include any details you may wish to provide to support your submission.

If you have any questions, please email info@afb.org.nz before **3 August 2018**. Answers to questions will be posted on <http://www.afb.org.nz/new-levy-proposal> and emailed weekly to all registered beekeepers. Those who ask questions will not be identified in these communications.

Submissions will be considered by the Management Agency Board in September 2018.

A summary of the consultation and the Boards' decision will be posted on the website and sent to all beekeepers in October 2018.

What is the proposed increase in the levy?

The maximum levy rate is proposed to increase from \$20.00 to \$40.00 per beekeeper, and from \$15.17 to \$50.00 per apiary.

This levy is expected to be phased in over a five-year period as described in the table below. Please note these amounts are approximate and may be subject to change following budget consultation with levy payers each year.

Proposed increases to beekeeper and apiary levy rates (exclusive of GST)

Year	Base beekeeper levy (\$)	Apiary levy (\$)
current	20.00	15.17
2019/20	36.02	23.40
2020/21	36.86	42.83
2021/22	38.06	49.31
2022/23	39.41	50.00
2023/24	39.85	50.00

How much more would I pay?

This depends upon the number of apiaries owned. The table below describes the maximum increase in levy for beekeepers with varying sized operations¹.

Comparison of levy increase for different sized enterprises (exclusive of GST)

Apiaries	Current Levy total (\$)	Proposed Max Levy total (\$)	Increase (\$)
fewer than 4	35.17	90.00	54.83
9	156.53	490.00	333.47
23	349.91	1,190.00	890.09
40	626.80	2,040.00	1,413.20
146	2,234.82	7,340.00	5,105.18

¹ New Zealand Beekeeper, Apiary and Hive Statistics as at 28 February 2018



What will the increased levy be invested in?

Activity	Current annual levy funding	Additional annual levy funding	Total annual levy funding
Identifying and registering apiaries	\$141,000	\$296,000	\$437,000
Surveillance to detect AFB	\$434,000	\$1,442,000	\$1,876,000
Eliminating AFB	Included in surveillance	Included in surveillance	Included in surveillance
Preventing the spread of AFB	Included in surveillance and governance, management, administration and communications	\$26,000	\$26,000 (in addition to the funding included in surveillance and governance, management, administration and communications)
Cross-programme support	\$30,000	\$315,000	\$345,000
Governance, management, administration and communications	\$401,000	\$75,000	\$476,000
TOTAL	\$1,006,000	\$2,154,000	\$3,160,000



Identifying and registering apiaries

For effective national control of AFB, apiary sites must be accurately identified and registered. The register of apiaries defines the locations where honey bee colonies infected with AFB may be present.

The current apiary registration compliance programme is largely based upon beekeepers' honesty as the Management Agency does not have the funding to investigate and follow-up on non-registered apiaries. Three aerial surveys have revealed that 20%, 47% and 48% of apiaries in the locations targeted were unregistered.

Current activity

- Administration of Annual Disease Returns
- Two aerial surveillance flights

What additional funding will go towards

- Increasing aerial surveillance for unregistered hives from two to six flights per year
- Encouraging beekeepers and landowners to report suspected unregistered apiaries, and investigating all reports received. Where unregistered apiaries are discovered the Management Agency will ensure that the beekeeper registers the unregistered apiaries reported, as well as other potentially unregistered apiaries they own
- Destroying unregistered apiaries where the owner of the apiary cannot be identified within 30 days



Surveillance to detect AFB

Effective surveillance is critical to providing the Management Agency with the information required to assess the level of AFB in beekeepers' hives, and plan disease control activities. The current surveillance programme is heavily dependent upon individual beekeepers' ability and willingness to detect and report cases of AFB.

Current activity

- AP2 inspection of 2% of apiaries
- Testing 60 retail and export honey samples
- Administration of Certificates of Inspection
- Limited inspection of Certificate of Inspection defaulter apiaries
- Agreeing Disease Elimination Conformity Agreements
- Limited advisory services
- Laboratory testing of suspect American foulbrood samples

What additional funding will go towards

- Developing an online AFB recognition course in addition to existing classroom-based training
- Developing a package that beekeeping clubs and hubs can use with Management Agency support to run field days, offering a hands-on opportunity to inspect hives for AFB
- Providing an advisory service to beekeepers on how to improve their hive inspections if they are not adequately detecting AFB
- Ensuring diagnostic laboratories supply all AFB test results to the Management Agency
- Expanding the honey surveillance programme to 2,000 export and domestic honey samples annually from beekeepers with 11 or more hives (equivalent to 1.3 honey samples per beekeeper)
- Increasing the number of apiaries inspected each year by Management Agency Inspectors from 2% to 10%
- Auditing 10% of Disease Elimination Conformity Agreement (DECA) holders with 11 or more hives each year for compliance with their agreement

The Management Agency will use the surveillance and audit findings to review DECA holders' progress towards eliminating AFB from their beehives. If progress is unsatisfactory the Management Agency may:

- Initiate advisory services, additional inspections and/or an audit
- Amend the beekeeper's DECA
- Issue a direction to comply with the DECA
- Revoke the Certificate of Inspection Exemption and cancel the DECA

The Management Agency will arrange inspections for all apiaries where the beekeeper has failed to complete their annual Certificate of Inspection or meet the terms of their DECA. The beekeeper will be required to pay for these inspections.



Eliminating AFB

The current method of burning hives is an effective method for eliminating AFB.

Current activity

- Issuing notices to destroy

What additional funding will go towards

- Auditing destruction performance
- Monitoring effective elimination through the surveillance programme
- Targeted advisory services
- Auditing compliance with Disease Elimination Conformity Agreements



Preventing the spread of AFB

The Management Agency's current approach to preventing the spread of AFB is focussed on the provision of education and advice.

Current activity

- Limited provision of advice
- Presentations at club and hub meetings

What additional funding will go towards

- Increased availability of targeted advisory services
- Three regional workshops per year focused on preventing the spread of AFB in commercial beekeeping operations
- Monitoring the prevention of the spread of AFB through the surveillance programme described above
- Auditing compliance with DECAs
- Serving Restricted Place Notices on apiaries with a level of AFB that presents a significant risk to other apiaries, where the Management Agency is not satisfied that the beekeeper's regular practices will mitigate the risk

Cross-programme support

Increased activities to effectively identify and register apiaries and survey, eliminate, and prevent AFB will require the existing Apiary Database (ApiWeb) application to be replaced. A new, simple online and smart phone application will ensure effective and efficient use of both beekeeper and Management Agency time. The expected capital cost of this project is \$500,000.

The AFB NPMP is due for review in 2023. The expected one-off cost of completing a thorough review is \$250,000.

The Management Agency also proposes to spend up to \$50,000 per year to support research projects into new tools for the detection and elimination of AFB.

Current activity

- Current Apiary Database / ApiWeb application
- Review of Levy Order
- Contribution to Clean Hive project

What additional funding will go towards

- Replacement for Apiary Database / ApiWeb application and provision of supporting smart phone apps
- Review of National American Foulbrood Pest Management Plan
- Research

Governance, management, administration and communications

No changes are proposed to the resourcing of these functions. The small increase in expenditure reflects the additional cost of levy collection and inflation.

Current activity

- Governance
- Management and administration
- Accounting, audit, legal, insurance and banking
- Management Agency office and telecommunications
- Communications, including April and October issues of the NZ Beekeeper Magazine
- Levy collection

What additional funding will go towards

- Additional cost of levy collection



Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

Why is more funding required to fully implement the National American Foulbrood Pest Management Plan?

The Biosecurity (Apiary and Beekeeper Levy) Order 2003 currently raises approximately \$1 million each year to invest in the control of AFB. This level of funding allows the Management Agency to keep a register of apiaries, administer the Annual Disease Return and Certificate of Inspection processes, collect the levy and inspect 2% of apiaries each year.

It does not provide sufficient funding to ensure that cases of AFB are prevented, detected and eliminated in a timely manner. Therefore, AFB control in New Zealand is largely dependent upon the disease control actions taken by individual beekeepers.

Most beekeepers have done an excellent job of managing AFB and their efforts have been critical to keeping the reported incidence of AFB relatively low. However, recent industry growth has resulted in many new beekeepers and the expansion of existing beekeeping operations. These factors have increased the complexity of AFB control and the reported annual incidence of disease has increased by an average of 15% since 2015 - so it's extremely important the NPMP is funded accordingly to turn these numbers around and keep our beehives from being infected with AFB.

Why is more funding required to support overseas market access?

Overseas markets are now requiring proof that honey bee products are sourced from apiaries that comply with AFB Pest Management Plan rules. New Zealand's honey export certification failed an audit by the China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). A subsequent audit of the AFB Pest Management Plan by the Ministry for Primary Industries found that 30-40% of beekeepers were non-compliant with plan rules, and that this level of non-compliance was placing New Zealand's beekeeping industry at significant reputational and trade risk.

To ensure our honey bee products continue to enjoy price premiums, it's critical that overseas markets recognise New Zealand honey bee products as premium goods free from disease and antibiotic residues.

What are the benefits of increasing the levy?

The additional \$2.15 million of levy funding each year will provide the Management Agency with the resources required to fully implement the AFB NPMP. This will save an estimated 41,000 beehives and associated products valued at \$50 million from destruction over ten years. It will also continue to provide the market assurances required to protect our \$329 million export markets.

How were the proposed levy rates calculated?

The Management Agency Board considered how operating costs increased as additional beekeepers and apiaries were added to the system, and set the rates to cover these costs. The proposed levy rates were then tested to ensure that the NPMP could continue to be fully implemented even if the mix of commercial and non-commercial beekeepers changes dramatically.

Why isn't a hive levy proposed?

The Management Agency Board considered replacing the current beekeeper and apiary levy with a hive levy. However, the Management Agency's operating costs rise in proportion to the number of beekeepers and apiaries registered, not the number of hives registered - so the levy that funds this should reflect the same format.

In addition, a levy based on individual hives is not flexible enough to respond to potential changes in the industry's structure. For example, if we see a significant rise in non-commercial beekeepers each with only a few hives, a small hive levy won't cover the cost of registering those beekeepers and their apiaries. This means that larger commercials paying higher levies are subsidising these beekeepers, and reduced funding is available for disease management.

It is also very difficult and costly to verify that beekeepers are registering all hives and therefore paying their fair share.





THE MANAGEMENT AGENCY
NATIONAL AMERICAN FOULBROOD
PEST MANAGEMENT PLAN

For information visit
www.afb.org.nz

If you have questions,
please email us at
info@afb.org.nz

