



PROACTIVE RELEASE COVERSHEET

Minister	Hon Penny Simmonds	Portfolio	Environment
Name of package	Cabinet paper: Approval to consult – Proposed product stewardship regulations for agrichemicals and their containers and farm plastics	Date to be published	May 2025

List of documents that have been proactively released

Date	Title	Author
20/03/2025	Cabinet paper: Approval to consult – Proposed product stewardship regulations for agrichemicals and their containers and farm plastics (CAB-343)	Ministry for the Environment
7/03/2025	Appendix 2 of CAB-343: Urgent Call for Action to Progress the Green Farms Product Stewardship Scheme Consultation	Agrecovery Foundation
20/03/2025	Appendix 3 of CAB-343: Proposed regulated stewardship fee rates for the Green-farms scheme	Ministry for the Environment
20/03/2025	Appendix 4 of CAB-343: Case study examples: annual disposal costs and product stewardship fee costs (current and proposed) for bale wrap	Ministry for the Environment
26/03/2025	Cabinet Economic Policy Committee Minute of Decision (ECO-25-MIN-0033)	Cabinet Office
31/03/2025	Cabinet Minute of Decision (CAB-25-MIN-0086)	Cabinet Office

Information redacted **YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld from the Cabinet paper under Section 9(2)(b)(ii) of the Official Information Act to avoid prejudice to the commercial position of the person who supplied or who is the subject of the information.

Appendix 1 of the Cabinet paper – 'Draft discussion document - Proposed product stewardship regulations: Agrichemicals, their containers, and farm plastics' – is not released with this package, under Section 18(d) of the Official Information Act, because the discussion document is publicly available on the consultation website.

The Cabinet Minute of Decision (CAB-25-MIN-0086) was redacted to withhold references to papers that are out of scope for this release.

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Office of the Minister for the Environment

Chair - Cabinet Economic Policy Committee

Approval to consult – Proposed product stewardship regulations for agrichemicals and their containers and farm plastics

Proposal

- 1 Following an industry-led design process, this paper seeks your agreement to publicly consult on proposed regulations to support a product stewardship scheme for agrichemicals and their containers and farm plastics.

Relation to government priorities

- 2 This consultation process is included in the Government's Quarterly Action Plan priorities for Q1 2025, and a draft discussion document is attached as Appendix 1.

Executive Summary

- 3 Presently, not all farmers have access to services that enable them to return agricultural plastics for recovery and recycling. This contributes to an ongoing, but avoidable, practice of on-farm burial and burning. This, in turn, has the potential for environmental harm, human health risk and lost recovery of useful materials.
- 4 Over the past 4-5 years, agricultural sector groups have worked together to design the Green-farms product stewardship scheme, a single consolidated national scheme that simplifies and increases access to take-back services for farmers. This followed agrichemicals and their containers and farm plastics being declared as priority products under the Waste Minimisation Act 2008 (WMA) in July 2020. [ENV-20-MIN-0024 and CAB-20-MIN-0312 refer].
- 5 The proposed Green-farms scheme builds on two existing, voluntary product stewardship schemes, run by the Agrecovery Foundation (Agrecovery) and Plasback. These schemes have been operating for nearly two decades, providing take-back and recycling services for agrichemicals and their containers and some other farm plastics, including bale wrap.
- 6 Many key industry stakeholder groups and businesses including but not limited to DairyNZ, Beef & Lamb NZ, Federated Farmers NZ, Farmlands, PGG Wrightson and the Rural Contractors Association have indicated support for the industry-led Green-farms scheme (Appendix 2 includes a letter for support and further detail). Their letter also indicates that the current long-running voluntary schemes have high demand and are experiencing significant free-rider costs, representing a risk to the existing voluntary schemes' financial viability.
- 7 Many key stakeholders and major brands already pay into the voluntary schemes, subsidising those who do not. Those already contributing have incorporated scheme costs into their businesses and support transitioning to a regulated national scheme. However, producers who do not currently contribute may oppose the approach, given it

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would likely mean additional costs to their businesses (the proposed scheme fees are at Appendix 3).

- 8 Both voluntary schemes have made steady progress. However, they have different service levels for different product types across New Zealand and, consequently, uptake is variable and well below where it could be under a consolidated national scheme.
- 9 A consolidated national scheme requires supporting regulations. If implemented, the regulations would require participation in the scheme by all producers/importers of in-scope products. In-scope products are proposed to include: agrichemicals in plastic containers and drums (including household pest and weed control products); plastic bale wrap and silage sheet; small plastic bags and bulk woven polypropylene bags¹. Participation would include the payment of fees proportional to the type and volume of product the producer/importer sold or imported into New Zealand.
- 10 The fees would, in turn, fund national take-back services with conveniently located and free-to-use drop-off sites for all farmers and consumers of in-scope products, as well as collection services for remote farms². While farmers and consumers do not have to use these services, plastic products and packaging use has significantly increased on-farm and many farmers want access to a consolidated system that enables these materials to be more easily recycled.
- 11 It is expected that some or all of the regulated scheme fee would be passed on through the product price. The proposed fees vary by product, typically around or less than one per cent of the full product purchase price (see Table 3 summary and Appendix 3 for a full list of the proposed fees). Example farm costs for the product type with the highest proposed scheme fee per product, bale wrap at ~52 cents per bale, can be found at Appendix 4.
- 12 In the absence of regulations, the Green-farms scheme may operate on a voluntary basis, or decide not to proceed. Agrecovery and Plasback may continue their existing voluntary schemes, although this cannot be assured.
- 13 Given anticipated improvements in take-back services (volumes and efficiencies) with corresponding reduction in negative impacts on-farm, the provisional cost-benefit analysis has indicated a benefit cost ratio of 1.31 net present value (NPV)³.
- 14 I seek your agreement to consult on proposed regulations to support the Green-farms scheme.
- 15 Subject to the outcome of the consultation, I will bring the final proposals to Cabinet for decision in the last quarter of 2025, together with the Regulatory Impact Assessment and final cost-benefit analysis. Other key considerations for making regulations under the WMA include adequate consultation (proposed next step), obtaining advice from the Waste Advisory Board (to be done in parallel) and that the regulations are consistent with New Zealand's international obligations.

¹ Small plastic bags and bulk woven polypropylene bags are typically used for products like: seed, feed, fertiliser, soil and crop inputs, farm and animal supplements, soil amendments, minerals and bulk nutrition products.

² Remote collection services will be available subject to criteria being met, including sufficient volumes which may necessitate short-term storage on farm (storage on farm happens today).

³ BCR assumes 30-year time horizon and 8% discount rate

Background

- 16 In July 2020, agrichemicals and their containers and farm plastics were declared as priority products under the WMA⁴, requiring a product stewardship scheme to be developed and accredited as soon as practicable (WMA section 10). The industry has since developed and received accreditation for the Green-farms scheme, which requires supporting regulations for its implementation.

Analysis

The problem we are seeking to address

- 17 Under a voluntary framework, farmers have variable access to take-back and recycling services which are a mix of user pays and voluntary producer fees. This can result in inappropriate disposal practices on-farm (burying and burning) of residual agrichemicals in their containers and other farm plastics. While the burial and burning of waste on some farms is permitted within certain circumstances, burning plastics and burning or burying agrichemical containers is likely to be in breach of regional council rules and the legislative framework for hazardous substances and their disposal⁵. However, enforcement of these rules can be challenging.
- 18 Since 2006, two voluntary product stewardship schemes have offered take-back and recycling services for agrichemicals, their containers and some farm plastics. Each scheme has made steady progress, but coverage is limited. The two voluntary schemes currently collect about half of the estimated total quantity of agrichemical containers and bale wrap and silage sheet sold in New Zealand, for which there are well-developed recycling markets.
- 19 Overseas evidence indicates that requiring producer/importer participation in a scheme can 'level the playing field', providing for cost-effective service delivery with much higher collection and recycling rates.⁶

Transitioning to a regulated scheme

- 20 An industry-led design process led to the development and accreditation of the Green-farms Product Stewardship Scheme in 2023. The scheme will be managed by Agrecovery⁷, which is governed by representatives of the primary production sector.
- 21 The broader scope of products included within "farm plastics" has been narrowed into four categories (see Appendix 1, Table 1). In line with the scheme design, only category 1 products are proposed for regulations at this time.
- 22 Under a regulated scheme, a nationwide network of free-to-use drop-off sites for in-scope products will be available for any consumer, including farmers, foresters, local authorities, contractors and the general public. These drop-off sites will collect category 1 products

⁴ Declaration of Priority Products Notice 2020, The other products declared as priority were: tyres, electrical and electronic products, refrigerants and other synthetic greenhouse gases, and plastic packaging.

⁵ Eg, the Hazardous Substances (Disposal) Notice 2017 and Health and Safety at Work (Hazardous Substances) Regulations 2017.

⁶ For example, the regulated Irish farm plastics recycling scheme achieved a collection rate of 90 per cent in 2021 (Irish Farm Film Producers Group. 2022.)

⁷ Agrecovery is a not-for-profit organisation and its trustees represent Federated Farmers, Dairy New Zealand, Horticulture New Zealand, Animal and Plant Health New Zealand, Rural Contractors New Zealand, distributors of agrichemical and animal health products, and local government.

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including: agrichemical containers and their residual chemicals (including household pest and weed control products); bale wrap and silage sheet; and small and bulk bags.

- 23 The scheme intends further farm plastics be progressively phased into the scheme over time (category 2-4 products include irrigation piping, shrink wrap, tunnel house covers, wool fadges, potted plant pots, vineyard netting, hail netting and other coverings, etc.).
- 24 In addition to a network of convenient drop-off sites, for the more remote farmers and growers with sufficient volumes,⁸ free-to-order on-farm collection services will be provided. As is the case now, farmers would also have the option to contract private waste collection service providers for more frequent collections and for any out-of-scope services.
- 25 The Green-farms scheme will make it easier for New Zealand farmers to participate and to meet market demand for sustainably produced farm products. For example, use of the voluntary Agrecovery and Plasback schemes has enabled farmers to meet one of the criteria in Fonterra's Co-operative Difference programme which offers higher payouts. Fonterra has also stated that this helps to increase the value of all their milk⁹.
- 26 The proposed estimated costs of the scheme including product recovery and processing will be covered by fees paid by the producers/importers of in-scope products. Producers/importers will report to the Product Stewardship Organisation (PSO) the quantities of regulated products placed on the New Zealand market. Based on the declared sale/import quantities, the PSO will charge the applicable regulated fee to each producer/importer.
- 27 If a regulated scheme were to proceed post consultation, the PSO and sector would need time to prepare, for example a 6-12 month period.

The proposed consultation

- 28 Under section 22(2)(b)(i) and 23(3)(b)(i) of the WMA, before recommending the making of regulations, the Minister for the Environment must be satisfied that there has been adequate consultation with persons or organisations who may be significantly affected by the proposed regulations. The proposed public consultation will fulfil this requirement.
- 29 I propose to release the attached draft discussion document (Appendix 1), which sets out the proposed enabling regulatory provisions.
- 30 The proposed regulation scope would cover category 1 products, namely:
- 30.1 agrichemicals sold in plastic containers and drums, of 1000 litres or less in size (including household pest and weed control products)
 - 30.2 plastic bale wrap and silage sheet
 - 30.3 small plastic bags (that weigh 40 kilograms or less when full) containing products such as seed, feed, fertiliser, soil and crop inputs, farm and animal supplements
 - 30.4 bulk woven polypropylene bags (that weigh over 40 kilograms when full) containing products such as seed, feed, fertiliser, soil amendments, minerals and bulk nutrition.

⁸ To ensure the scheme remains cost effective to operate, where remote farms have smaller volumes of in-scope plastics initially, temporary storage may be necessary.

⁹ The Cooperative Difference programme pays higher prices for milk solids from farmers that meet certain sustainability criteria, including that "the farm is participating in a product stewardship scheme for on-farm plastics and agrichemicals." (<https://www.fonterra.com/nz/en/campaign/make-the-difference.html>)

- 31 Under a regulatory scheme, the parties subject to the requirements would be those that sell and distribute the in-scope agrichemicals and farm plastics. Farmers, growers and other consumers of the regulated products would not be regulated and would be provided wider opportunities to reduce waste and risk of harm from these products.
- 32 The following regulations are proposed:
- 32.1 Regulation under WMA section 22(1)(a) prohibiting the sale of in-scope agrichemicals in plastic containers and drums and certain farm plastics except in accordance with the accredited product stewardship scheme. This would require all producers (including onshore manufacturers, brand owners and importers) of regulated products to participate in the accredited scheme, registering and reporting on any in-scope products sold or imported for use in the New Zealand market¹⁰.
 - 32.2 Regulation under WMA section 23(1)(d) requiring producers/importers of regulated products to pay a product stewardship fee. The fee would cover the costs of running the scheme, providing a free-to-use take-back service for farmers and any other consumer, and managing the products at end of life. The proposed fees are shown in Appendix 3 and examples are provided in Table 3 below. The proposed fees represent a relatively small proportion of the total product cost.
 - 32.3 It is proposed that the fee is collected by the PSO in a manner similar to the current voluntary fees collected from producers by the Agrecovery scheme. Producers/importers would make a quarterly declaration to the PSO of the amount of regulated products placed on the New Zealand market. Based on these self-declarations, the PSO would charge the applicable fee owed by each producer/importer. At the end of each year, the PSO would verify the self-declarations and address any discrepancies.
 - 32.4 Regulation under WMA section 23(1)(i) requiring the scheme manager to collect and provide to the Ministry for the Environment (the Ministry) information relating to the above requirements, to enable monitoring and if necessary, any enforcement of regulations.
 - 32.5 Regulation using WMA section 23(1)(c)(i) to set requirements for the take-back services. This could include, for example, a requirement to take back the in-scope materials and that the collection network has sufficient geographical coverage.
 - 32.6 Regulation under WMA section 22(1)(e) enabling the Secretary for the Environment to recover costs of performance monitoring of accredited priority product schemes through invoicing the scheme manager.¹¹
- 33 Preliminary impact assessment conducted by the Ministry indicates that the regulatory option performs much better overall than the no-action option of continuing with the voluntary framework, when considered against three criteria: effectiveness in reducing harm to people and the environment, supply chain responsibility, and efficiency (costs and benefits).

¹⁰ Many brands already provide declarations and pay fees to Agrecovery. Management of commercial sensitivity is essential and Agrecovery has developed an IT system to manage this process.

¹¹ A cost-recovery fee for performance monitoring was set in regulations for the tyre product stewardship scheme. All other priority product schemes including Green-farms, are proposed to have a different funding mechanism. For Green-farms, it is proposed to invoice for actual costs, which are likely to be up to 1 Full Time Equivalent per year. This is comparable to the tyre scheme cost recovery level. Cost recovery for regulation compliance monitoring and enforcement is not covered by the WMA and would come from agency baseline.

- 34 The draft discussion document invites feedback on the proposed regulations. The results of the consultation will inform final assessment of the options and advice to Cabinet.
- 35 At this time, I am not proposing to regulate the additional products covered by the declaration of priority products (eg, category 2-4 products such as irrigation piping, shrink wrap, tunnel house covers, wool fadges, potted plant pots, vineyard netting, hail netting and other coverings). This is because the industry-led design process recommended these be included over time, following further engagement with the sector and obtaining more information.
- 36 The scheme can include these products on a voluntary basis and encourage producers to participate in field trials in order to determine the most cost-effective logistics for collection and recycling. Once trials are completed, fee rates and other integral information about the costs and benefits of additional product types can be considered.

Compliance monitoring and enforcement of proposed regulations

- 37 The Ministry would monitor scheme performance and compliance and enforce regulations. If needed, any enforcement measures would be proportionate to the seriousness of non-compliance following an investigation. Penalties for contravening the proposed regulations include fines of up to \$100,000 if Court proceedings result in a successful prosecution (WMA sections 65 and 67).
- 38 As part of the requirement to sell regulated products only in accordance with an accredited scheme, the PSO would set up contracts with regulated parties as scheme participants. Matters set out would include record-keeping and stewardship fee payment requirements. If liable parties do not comply, the PSO may escalate regulatory matters to the Ministry for potential investigation and enforcement.

Expected impacts on different stakeholder groups

- 39 The expected impacts of the proposed regulations on different stakeholder groups are summarised in Table 2.

Table 2: Main impacts on different stakeholder groups

Stakeholder group	Expected impacts of the proposed regulations
Farmers and other consumers of regulated products	<p>It will be easier for farmers and other users of agrichemicals and in-scope plastics to dispose of them safely at end of life (by using the scheme's take-back services). Where relevant, this also facilitates compliance with legal requirements for the disposal of hazardous substances.</p> <p>It will be easier for farmers (and other primary sector producers) to meet and ensure access to international market demand for sustainably produced products.</p> <p>The cost of the product stewardship fee will likely be partially or wholly passed on to farmers and other consumers, noting many New Zealand farmers already participate in the voluntary scheme services and pay accordingly.</p>
Producers/importers of regulated products	<p>Producers/importers will be liable to pay a product stewardship fee. For products which are currently covered by voluntary schemes, the impact will be minimal since the regulated fees would replace voluntary ones.</p> <p>There would be a levelling of the playing field, where all producers are required to share responsibility for the end-of-life management of their products. Where producers/importers are not currently participating, the fees would be an additional cost that they would likely either</p>

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	<p>partially or wholly pass on to consumers of their products at the fee rates outlined in Appendix 3.</p> <p>Many of the major brands are already participating in the voluntary scheme, with about half of the estimated total quantity of agrichemical containers and bale wrap and silage sheet placed on the New Zealand market already captured.</p>
Take-back, transport and recycling contractors	Potential for increased business opportunities through any contracts to the scheme for these services.

Engagement activities

- 40 The Ministry proposes to publicise the discussion document through several channels, including the Ministry's website, social media, and electronic direct mail to relevant stakeholders (eg, sectoral associations). Webinars would also be organised, targeting specific stakeholder groups, such as producers and users of the products covered by the scheme (rural sector), waste sector, local government and iwi representatives.

Treaty of Waitangi Implications

- 41 There are no Treaty of Waitangi implications associated with this Cabinet paper.

Cost-of-living Implications

- 42 The proposed product stewardship fee would be paid by producers/importers of the in-scope products, and the take-back services would be free to use for farmers and other consumers. While the fee is likely to be passed on to consumers through the sale price of the in-scope products, the proposed fees are a relatively small proportion of the overall product cost (Table 3).

Table 3: Examples of fees relative to product cost¹²

Product	Fee (per unit)	Typical purchase price (per unit) of a full product	Fee as a percentage of cost
Bale wrapped feed	\$0.52	\$30-\$60 per bale	1.73%-0.87%
Large fertiliser bag	\$3.58	\$400-\$1000 per bag	0.9%-0.36%
Small feed or fertiliser bag	\$0.20	>\$100 per bag	<0.2%
20-litre container of agrichemicals in group 2	\$2.60	Ranges widely, eg \$181-\$1516 for products of the biggest provider of agrichemicals in New Zealand	1.4%-0.17%

- 43 Example farm costs for the product type with the highest proposed scheme fee per product from Table 3, bale wrap at ~52 cents per bale, can be found at Appendix 4.
- 44 The voluntary agrichemicals scheme run by Agrecovery is currently funded through voluntary levies paid by participating producers and the regulated fees would replace these voluntary levies. The current voluntary Plasback scheme for farm plastics is a user-pays scheme.

¹² Product cost estimates provided by Agrecovery, and by Plasback for bale wrap

45 Section 9(2)(b)(ii)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

46 Under a regulated scheme, consumers would have access to free-to-use and conveniently located drop-off sites accepting the in-scope waste products. Farmers would also be able to use on-farm collections (pick-up services) if the farm meets certain criteria (eg, in remote locations). Noting many are already paying for the voluntary schemes, including through voluntary levies and support from major brands and retailers, the additional cost impact of a regulated scheme is expected to be relatively low.

Financial Implications

47 The regulatory proposals in this consultation include recovery of scheme monitoring costs from the accredited scheme. Any additional cost will be met from the Ministry's baseline.

Legislative Implications

48 Finalised product stewardship regulation proposals will be developed based on feedback from the proposed consultation. These would be implemented as regulations under the Waste Minimisation Act 2008. Approval for these proposals will be considered in late 2025.

49 Should any amendments to the WMA proceed, the scheme's regulatory framework could be transitioned, as required.

Impact Analysis

Regulatory Impact Statement

50 As requested by the Treasury, the Ministry's quality assurance panel has reviewed the discussion document '*Proposed product stewardship regulations: Agrichemicals and their containers and farm plastics*' and determined that it contains sufficient impact analysis to support Cabinet's decision to release it and a separate regulatory impact statement is not required at this stage.

51 Subject to the outcome of the consultation, regulation proposals would be brought back to Cabinet for decision and a regulatory impact statement will be provided at that stage.

Climate Implications of Policy Assessment

52 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal at the public consultation stage.

Population Implications

53 The proposed product stewardship fees would be a cost, largely on the primary sector, whose business owners and workers mostly live in rural areas. However, the proposed fees are a relatively small proportion of the product costs.

54 At the same time, rural communities are expected to benefit from these proposals, since they will have access to a national service, and the negative impacts of improper disposal (such as through leaching and burning) will be reduced.

- 55 Provisional cost benefit analysis on the option to transition to a regulated scheme has indicated a benefit cost ratio of 1.31 NPV¹³.

Human Rights

- 56 This proposal is not considered to have any significant implications for human rights.

Consistency with international obligations

- 57 The Ministry, in consultation with the Ministry of Business, Innovation and Employment, is examining the impact the Trans-Tasman Mutual Recognition Agreement would have on the regulations being considered and will report back to Cabinet after public consultation in this regard.
- 58 The Ministry will continue to consult with the Ministry of Foreign Affairs and Trade and the Ministry of Business, Innovation and Employment as necessary to ensure New Zealand's compliance with international obligations.

Use of External Resources

- 59 The assessment of the Green-farms scheme accreditation application was conducted partly by an external consultant. No other external resources have been used in developing the policy advice in this paper.

Consultation

- 60 A draft of this paper (and its appendices) was circulated to the following agencies for comment: Ministry for Regulation; Department of Conservation; Department of Internal Affairs; Department of the Prime Minister and Cabinet; Environmental Protection Authority; Inland Revenue Department; Ministry for Primary Industries; Ministry of Business, Innovation and Employment; Ministry of Foreign Affairs and Trade; New Zealand Customs Service; Te Arawhiti; Te Puni Kōkiri; Treasury; WorkSafe.
- 61 Responses were received from: Department of Internal Affairs; Department of the Prime Minister and Cabinet; Ministry for Primary Industries; Ministry of Business, Innovation and Employment; Ministry of Foreign Affairs and Trade; Treasury; WorkSafe; Ministry for Regulation. Their feedback has been reflected in this paper and the draft discussion document.

Communications

- 62 Subject to Cabinet agreement, I will announce the public consultation on 31 March 2025.

Proactive Release

- 63 I intend to release the Cabinet paper proactively within 30 business days of the decision being made, pending the consultation process launch date.

Recommendations

The Minister for the Environment recommends that the Committee:

- 1 **Note** that the proposed consultation process responds to Government's Quarterly Action Plan priorities for Q1 2025.

¹³ BCR assumes 30-year time horizon and 8% discount rate

I N C O N F I D E N C E

- 2 **Note** that industry-led design of the Green-farms scheme included the provision of a nationwide service and this requires supporting regulations.
- 3 **Approve** the public release of the discussion document '*Proposed product stewardship regulations: Agrichemicals, their containers, and farm plastics*' (Appendix 1) on 31 March 2025.
- 4 **Authorise** the Minister for the Environment to make minor, editorial, and technical changes to the discussion document '*Proposed product stewardship regulations: Agrichemicals, their containers, and farm plastics*' as needed prior to its release.
- 5 **Note** an announcement and media release to accompany the public consultation launch is planned in conjunction with primary sector peak bodies.
- 6 **Note** I will report back to Cabinet on the outcomes of the public consultation process and seek approvals for the proposed regulations in the last quarter of 2025.

Authorised for lodgement

Hon Penny Simmonds

Minister for the Environment

Appendices

Appendix 1: Draft discussion document - Proposed product stewardship regulations:
Agrichemicals, their containers, and farm plastics

Appendix 2: Urgent Call for Action to Progress the Green Farms Product Stewardship Scheme
Consultation

Appendix 3: Proposed regulated stewardship fee rates for the Green-farms scheme

Appendix 4: Case study examples: annual disposal costs and product stewardship fee costs

Appendix 1 not released because it is publicly available at <https://consult.environment.govt.nz/waste/agrichemicals-their-containers-and-farm-plastics/> (section 18(d))

**AGRECOVERY**

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Hon Penny Simmonds
Minister for the Environment
Parliament Buildings
Wellington 6160
New Zealand

CC: Hon Todd McClay, Minister of Agriculture; Hon Mark Patterson, Minister for Rural Communities

Dear Minister Simmonds

Urgent Call for Action to Progress the Green Farms Product Stewardship Scheme Consultation

In the interests of the Primary Sector, we are writing to strongly urge the Government to progress consultation on the Green Farms Product Stewardship Scheme (GPSS) as a matter of urgency. The rural community is calling for regulated, effective solutions to manage agricultural plastics responsibly, and further delays risk losing critical support, goodwill, and investment that Agrecovery has built over years of voluntary stewardship.

Demand for responsible plastic treatment is at an all-time high. Agrecovery has maintained our services with a commitment to sustainability and the perception of imminent regulations, however, our ability to meet the demand of our customers is growing increasingly challenging. The high level of free riders that have opted not to join the scheme, yet reap the benefits, has placed Agrecovery in a difficult financial position, resulting in substantial losses. Our partner Plasback has also incurred significant financial losses under these same circumstances. The longer the delay in regulations, the greater the risk is for both organisations to remain financially viable.

Both Agrecovery and Plasback's voluntary accreditations have lapsed as we await the regulatory framework. Despite these constraints, we continue to service our customers. However, their frustrations over the lack of progress on what types of plastics can be recycled is becoming evident. The industry needs a whole solution, not a part solution, and while we constantly strive to address this, it is simply impossible without regulation.

More integrated solutions to improve and simplify sustainable plastic use on-farm are also welcomed by agricultural organisations, including DairyNZ.

Our services remain essential to the country's agricultural sustainability and international reputation. Members use our evidence-based activity reports to provide essential auditing requirements for our overseas trading partners, verifying the

sustainability credentials of Aotearoa New Zealand products. Continued delays will only hinder our ability to uphold these standards, and without accreditation, our overseas markets are left to rely on our assurances alone. Without regulation, any organisation could claim the same credibility, creating a real risk that we'll all be seen as unverified operators.

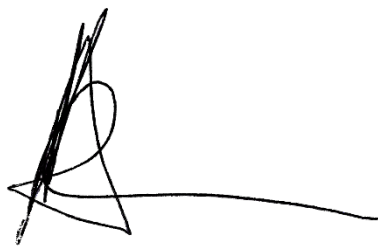
Our efforts to manage agricultural plastics effectively have resulted in record volumes collected, yet the sheer scale of plastics entering the market remains vast. Agrecovery and Plasback indirectly employ a significant number of people in the primary sector, and once regulation is implemented, this investment in the rural community will increase, keeping the money local.

This is a critical opportunity for the Government to demonstrate leadership in agricultural sustainability and maintain our overseas sustainability reputation. Stakeholders and customers across the industry are united in support of regulation, with no known opposition to the GPSS mandate. The rural community, as well as industry members nationwide, are calling for timely action.

We respectfully ask that you escalate this matter to Cabinet, to move forward with consultation and bring regulation into effect as swiftly as possible. Your support will help drive this critical initiative forward, benefiting our environment and reinforcing our shared commitment as kaitiaki - to safeguard Aotearoa New Zealand's land, waterways, and coastlines for future generations.

We look forward to your response.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony Wilson', with a long horizontal line extending to the right.

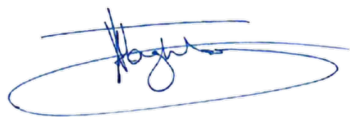
Tony Wilson
Chief Executive
The Agrecovery Foundation

A handwritten signature in black ink, appearing to be 'Anders Crofoot', with a long horizontal line extending to the right.

Anders Crofoot
Chair
The Agrecovery Foundation

Industry support

We the undersigned are in favour of the Cabinet approving the Government urgently progressing consultation on regulations to support farm wastes and implement the Green Farms Product Stewardship Scheme.



Tanya Houghton
Chief Executive Officer
Farmlands



Terry Copeland
Chief Executive
Federated Farmers New Zealand



Andrew Olsen
Chief Executive
Rural Contractors New Zealand Inc.



Stephen Guerin
Chief Executive Officer
PGG Wrightson Limited



Neal Shaw
Commercial Manager
Plasback (2021) Ltd



Matthew Dolan
Chief Executive
New Zealand Plant Producers Inc



Kate Scott
Chief Executive
Horticulture New Zealand



Michael Brooks
Executive Director
Poultry Industry Association of New Zealand
Egg Producers Federation of New Zealand
New Zealand Feed Manufacturers Association



Kate Acland
Chair
Beef + Lamb New Zealand Ltd

Appendix 3: Proposed regulated stewardship fee rates for the Green-farms scheme

AGRICHEMICALS AND THEIR CONTAINERS	
Packaging part of fee	Cost per litre (\$)
Containers up to 60 litres	0.10
Containers over 60 litres, and less than IBC	0.025
Intermediate Bulk Containers (IBC - approx. 1,000 litres)	0.02
Chemical part of fee	Cost per litre (\$)
Group 1 - Chemicals unlikely to be presented for disposal (because they are typically used up by the consumer)	0.01
Group 2 - Chemicals with lowest disposal cost	0.03
Group 3 - Chemicals with higher disposal cost	0.04
<ul style="list-style-type: none"> In containers up to 60 litres 	
<ul style="list-style-type: none"> In containers of 60 litres or more 	0.06
Household pest and weed control products	
Cost per container (\$)	0.10
Group 1 (cost per kg or litre) (\$)	0.02
Group 2 (cost per kg or litre) (\$)	0.08
Group 3 (cost per kg or litre) (\$)	0.10
FARM PLASTICS	
Bale wrap and silage sheet	Cost per tonne (\$)
Bale wrap	462.02 (~\$0.50 per bale of hay)
Silage sheet	462.02
Bags	Cost per bag (\$)
Small bags	0.20
Large (bulk) bags	3.58

Appendix 4: Case study examples: annual disposal costs and product stewardship fee costs (current and proposed) for bale wrap¹

	Property 1	Property 2	Property 3	Property 4
Farm type	Dairy	Sheep & beef	Dairy	Dairy
Location	Canterbury	Wairarapa	Waikato	<i>Not specified</i>
Farm size	139ha	2,950ha	120ha	380ha
Number of cattle	500	874 -1,184	350	900
Number of bales used per year	500	117-165 (also use silage tubes)	120-150	150
Current cost to dispose of bale wrap through Plasback or other commercial provider	\$300	\$102 - \$205	\$160-\$320	\$200
Current cost per bale	\$0.60	\$0.87 - \$1.42	\$1.33 - \$2.13	\$1.33
Cost per bale under proposed regulated fee*	\$0.52	\$0.52	\$0.52	\$0.52

*Assuming the product stewardship fee cost of approximately \$0.52 per bale paid by the producer is completely passed on to the buyer. If the farmer uses the new scheme drop-off system, this could give cost savings, but if they currently arrange for on-farm collection and choose to remain with this option rather than use the scheme's free services, it may be an additional cost.

¹ Data provided by Agrecovery.



Cabinet Economic Policy Committee

Minute of Decision

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Proposed Product Stewardship Regulations for Agrichemicals and Their Containers and Farm Plastics: Approval to Consult

Portfolio **Environment**

On 26 March 2025, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that the proposed consultation process below responds to the Government's Quarterly Action Plan priorities for Q1 2025;
- 2 **noted** that the industry-led design of the Green-farms scheme included the provision of a nationwide service and this requires supporting regulations;
- 3 **approved** the public release of the discussion document, *Proposed product stewardship regulations: Agrichemicals, their containers, and farm plastics*, attached as Appendix 1 to the paper under ECO-25-SUB-0033, on 31 March 2025;
- 4 **authorised** the Minister for the Environment (the Minister) to make minor, editorial, and technical changes to the discussion document as needed prior to its release;
- 5 **noted** that an announcement and media release to accompany the public consultation launch is planned in conjunction with primary sector peak bodies;
- 6 **noted** that the Minister intends to report back to ECO in the last quarter of 2025 on the outcome of the public consultation process, and to seek approval for the proposed regulations.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Louise Upston
Hon Todd McClay
Hon Tama Potaka
Hon Simon Watts
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Mark Patterson
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Officials Committee for ECO



Cabinet


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Report of the Cabinet Economic Policy Committee: Period Ended 28 March 2025

On 31 March 2025, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 28 March 2025:

Out of scope




ECO-25-MIN-0033

**Proposed Product Stewardship Regulations for
Agrichemicals and Their Containers and Farm
Plastics: Approval to Consult**
Portfolio: Environment

CONFIRMED

Out of scope



Rachel Hayward
Secretary of the Cabinet