

Intention to Activate the EPPRD Levy

Dear Growers,

The submission to alter the cherry levy has been lodged with the Federal Agriculture Minister.

Over the last year, there have been a number of exotic pest incursions into Australia that serve to threaten the viability of the Australian cherry industry.

Cherry Growers Australia is a signatory to the Emergency Plant Pest Response Deed and as such has been involved in advising on the responses to these incursions.

The members of the EPPRD have made a decision, as it relates to these pest incursions, to seek eradication measures be deployed to seek full eradication of these exotic pests.

Eradication measures are funded jointly between Federal Government, State Government and industry. Industries are proportionately involved financially, as it relates to the pests' deemed impact on the industry and the size of that industry – among other factors.

The pest incursions that the responses relate to are two incursions of Brown Marmorated Stink Bug and one incursion of Varroa mite.

Cherry Growers Australia has received final estimations on pest responses for Varroa Mite and Brown Marmorated Stink Bug, which will require the EPPR levy to be activated. Initial estimations of the pest responses are as follows:

- Varroa - \$104,520
- BMSB (Glendenning) \$3,225
- BMSB (Jandakot) \$2,670

The activation of the EPPRD levy will temporarily allocate a portion of the levy funds collected to eradicate these pests of concern. The overall levy will remain at 7c and no further contributions will be sought by growers.

This advice seeks to advise industry of the change, as this will affect the proportion of the levy allocated to the cherry R&D fund and the cherry marketing fund.

Future tonnage of the Australian cherry industry is expected to be approximately 15,000t annually. In order for the pest responses to be repaid within a 3 year period, request the EPPR be activated at .7c annually.

With the EPPR activated, the new levy structure is proposed as follows:

- 5.00 (Cents /Kilogram) for Research & Development that is matched \$ for \$ by the Australian Government;
- 0.30 (Cent /Kilogram) for Plant Health Australia Levy, that is not matched by the Australian Government;
- 1.00 (Cent /Kilogram) for Marketing & Promotional activities, that is not matched by the Australian Government;
- 0.70 (Cent /Kilogram) for the Emergency Plant Pest Response Deed levy that will be matched or otherwise as agreed to under regulations and agreements from the EPPRD;

This amendment will be undertaken to ensure that costs are met for the cost sharing arrangements above. At the time these cost sharing arrangements are concluded, the Australian cherry industry will seek to reduce the EPPRD levy to zero with the .7c EPPRD levy allocated back to the cherry R&D levy as per the last cherry levy vote.

If you wish to provide any comment on the activation of the EPPRD, the results listed above or any other matter, please feel free to contact me at president@cherrygrowers.org.au or on 0438 059 464.

Alternatively, you can contact the Cherry Growers Australia office at office@cherrygrowers.org.au

Regards,

Tom Eastlake

President

Cherry Growers Australia