

To: Ministry for the Environment
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Submission on:

Proposed priority products and priority product stewardship scheme guidelines

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Submitter:

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Proposed priority products and priority product stewardship scheme guidelines

1. Introduction

- 1.1 Agcarm welcomes the opportunity to engage with the Government on proposals as outlined in the discussion document 'Proposed Priority Products and Priority Product Stewardship Scheme Guidelines'. We are supportive of the Governments goals of reducing risk of harm from waste, and increasing economic and social benefits from the more circular use of resources.
- 1.2 As per our strategic priorities, Agcarm has a goal of our member's being recognised for their contribution to environmental sustainability. We are champions of Agrecovery, and lead New Zealand in supporting end-to-end stewardship.
- 1.3 In relation to the proposals in the discussion document, we are generally supportive. In some instances we submit that further discussions are had to ensure workable solutions are developed.
- 1.4 If further clarification is required on any of our feedback, then please reach out to Agcarm. It is critically important to make policy that works, and this can only be done with government and industry working closely together.
- 1.5 In relation to the proposed changes, we offer feedback as below.

2. Key Recommendations

- 2.1 Agcarm submits that the full cost for management of orphan and legacy chemical should not be met through the product stewardship schemes, until the scale of orphan and legacy issues are well understood. Further discussion is required between industry and government as to how to deal with the recycling of legacy chemicals. As it stands, the quantity of legacy chemicals within New Zealand is unknown. Other schemes to 'mop up' legacy chemicals have not been very successful, hence the problems continue. As a starting point, an accurate record is required of existing stockpiles, the financial cost of dealing with the legacy chemicals, along with how collection and disposal will be managed.
- 2.2 When it comes to fees, how the fees are applied, and the cost of participation within a scheme, Agcarm submits that this should be decided solely between the scheme participants and provider(s) as per the Agrecovery model. There must be no Government interference in fees, application of the fees, and funding decisions associated with belonging to an accredited scheme.
- 2.3 Agcarm submits that more time is provided to scope out how to safely dispose of packaging for veterinary medicines, which includes syringes, tubes and flexible bags, and that a determination on an appropriate phase-in length be agreed in discussion with industry.
- 2.4 As Animal Medicine waste poses a high risk to distributors and rural retailers at the collection point, Agcarm submits that as per Crop Protection products, clear guidelines on how the products are to be received and handled, along with specifics relating to responsibilities and liabilities at the collection point are developed.

- 2.5 Agcarm submits that solutions for Agrichemicals sold for domestic use and primarily in urban areas requires further discussions. The services required to manage these waste streams will be different to those that are provided to commercial operators. It is likely that the scheme would need to work closely with existing services provided by territorial authorities. As herbicides, pesticides and any agrichemicals that “pose a high risk to domestic users’, clear guidelines on how the products are to be recycled need to be developed.
- 2.6 Agcarm submits in support of a scheme provider being non-profit. As a trustee for Agrecovery, Agcarm has direct experience of the shortcomings of having a product stewardship scheme operated by private interest. Agcarm considers that each scheme should be operated by a competitively neutral and not-for-profit entity as proposed by the guidelines.
- 2.7 Agcarm submits that it is important that the collection of proposed priority products should not commence until there is a sustainable solution for recycling of the products collected.

3. Feedback on Proposals as Outlined in the Discussion Document

3.1 Proposed priority product declaration for end-of-life tyres

Agcarm has no specific comments to make on this proposed priority product.

3.2 Proposed priority product declaration for electrical and electronic products (e-waste)

Agcarm has no specific comments to make on this proposed priority product.

3.3 Proposed priority product declaration for agricultural chemicals and their containers: Do you agree with declaring as priority products?

Chemicals in plastic containers up to and including 1000 litres in size that are used for: horticulture, agricultural and livestock production, including veterinary medicines, industrial, utility, infrastructure and recreational pest and weed control, forestry, household pest and weed control operations, similar activities conducted by or contracted by local and central government authorities?

Position – Yes, Agcarm generally supports the proposed declaration of agrichemicals and their packaging as described. However, we raise the following points for consideration.

3.3.1 Veterinary Medicine Packaging

- i. Agcarm submits that more time is provided to scope out how to safely dispose of packaging for veterinary medicines, which includes syringes, tubes and flexible bags, and that a determination on an appropriate phase-in length be agreed in discussion with industry.
- ii. The majority of animal medicine pharmaceuticals/vaccines in New Zealand are:
 - Registered in countries through their local government Regulators (e.g: ACVM in New Zealand)
 - Regulatory requirements include the effect of primary packaging on the stability of the product, and regulatory data is required to support any changes in packaging and for some Regulator requirements, this can involve up to 5 years of stability data sourcing that is required to change any registrations

- Regulatory requirements are common (and often shared) amongst major Regulators around the world, the commonalities are generally driven at a global level by the major EU and US Regulatory agencies
 - many registered animal pharmaceuticals/vaccines are manufactured at specialised plants around the world, and then distributed globally
 - primary packaging materials (as such syringes, bottles, flexi-packs) are common across multiple countries and Regulator standards.
- iii. As an example, MSD New Zealand has a specialty animal vaccine plant in Upper Hutt New Zealand that exports to 62 different countries worldwide, with all products using the same universally accepted primary packaging materials that are approved across multiple country Regulators. NZ is 13% of the total manufactured packs produced by MSD Animal Health, and therefore a unique pack is not a viable option.
- iv. Many primary packaging materials (plastics) are specialised plastics, which as part of the regulatory requirements globally, require standards and processes (e.g: sterilisation / radiation processes) that do not currently allow the plastic-type to be post-consumer recycled, based on the current recycling technology available. This is relevant to radiated plastic flexi-packs, and plastic packaging that has contained antibiotics. Glass is not a current option in some manufacturing plants. Current packs are lightweight, collapsible and have been designed with consumer use in mind.
- v. Primary plastic packaging for animal medicine (pharmaceutical/vaccine) is an area of consideration for post-consumer recovery, and would require appropriate technology to then be able to safely carry-out a suitable recycling or disposal method to have a beneficial effect: i.e; a full recovery, recycle and reuse model.
- vi. Because animal medicines are a highly regulated industry globally that is involved in food safety, animal welfare and the use of pharmaceutical compounds (e.g: antibiotics, vaccines) that require consideration across the 'one health' platform, any future changes must consider the global regulatory conditions that will affect and manage the timelines by which change can occur.
- vii. The animal medicine market is a global supply chain market with a limited number of specialised pharmaceutical/vaccine plants spread around the world that supply the global market, and any change in primary packaging material implemented in New Zealand that are not consistent with the global market, has the potential for supply and availability issues within the relatively small New Zealand market.
- viii. Any proposed changes relating to animal medicine primary packing and the recollection, recycling, re-use of these components must therefore take into consideration the technology currently available to achieve these goals, the impact at a Global Regulatory level, and security of supply availability in a global production market.

Distributor Perspective on Animal Medicine waste

- ix. As Animal Medicine waste poses a high risk to distributors and rural retailers at the collection point, Agcarm submits as per Crop Protection products, clear guidelines on how the products are to be received and handled, along with specifics relating to responsibilities and liabilities at the collection point are developed.

3.3.2 Agrichemicals for Domestic Use

- i. Agcarm submits that solutions for Agrichemicals sold for domestic use and primarily in urban areas requires further discussions. The services required to manage these waste streams will be different to those that are provided to commercial operators. It is

likely that the scheme would need to work closely with existing services provided by territorial authorities.

- ii. Some Agcarm members dispute that products used domestically can technically be defined as Agrichemical and believe that domestic products should be dealt with in a separate manner. Other members take a counter view and support domestic products being treated as agrichemicals. Based on the differing views, we recommend that the Ministry consult further as to how domestic waste should be treated. This would include engaging with the likes of mass merchants such as The Warehouse, DIY such as Mitre 10 and Grocery such as Countdown.
- iii. One of the biggest issues will be collection and then mechanisms for recycling that allow the loop to be closed. Hence, we submit that further discussions are held between key players to develop workable solutions.

3.3.3 General Notes on Agrichemical Recycling

- i. Since 2007, under a voluntary approach with over 64 participating brands, Agcarm members have supported and funded the Agrecovery programme, which has diverted over 3000 tonnes of unwanted product and packaging from harmful disposal practices.
- ii. Agcarm submits that a mandatory approach will address persistent 'free-rider' and non-participation issues and generate a level playing field for market participants. It will also generate other efficiencies such as economies of scale and scope, enhance consumer convenience and will facilitate further investment for enhancing consumer convenience and design for environment considerations. We submit that all registered drenches, for example, under the ACVM Act should already be part of a recycling scheme, with the manufacturers paying the corresponding levy to the scheme provider.
- iii. A mandatory/regulated approach to product stewardship for agrichemical producers has shown to have a positive impact on participation in countries that have taken this approach. These schemes recover between 70 and 95% of packaging distributed into the market in comparison to the voluntary approach facilitated by Agrecovery which achieves ~50%. It is important to highlight that two years ago this figure was ~30%.

3.4 Proposed priority product declaration for refrigerants and other synthetic greenhouse gases

Agcarm has no specific comments to make on this proposed priority product.

3.5 Proposed priority product declaration for packaging

Agcarm has no specific comments to make on this proposed priority product.

3.6 Proposed priority product declaration for farm plastics

Do you agree with declaring as priority products: plastic wrapping materials used for silage or hay, including but not limited to baleage wrap, hay bale netting, baling twine, and covers for silage pits.

Positions - Yes, where possible Agcarm supports the proposal to declare this as a priority product and considers that it should be managed in accordance with the proposed guidelines such that this is done through a not-for-profit and competitively neutral entity.

Notes

- I. Agcarm supports Agrecovery as the lead entity to manage farm plastic waste disposal.
- II. The existing voluntary scheme for farm plastics is severely limited due to persistent free-rider issues and its ownership and implementation model that specifically benefits private interests. Although accredited as a voluntary scheme for most farm plastics since 2010, it recovers only small amounts of products outside of LLDPE films such as baleage and silage wrap that its parent company distributes. Agcarm is of the view that this current model is unlikely to benefit wider stakeholders and improve environmental outcomes in the long term. Agcarm considers that significant changes in line with the proposed guidelines are required to maximize positive outcomes.
- III. The existing scheme operates on the basis of charging users the full cost of collection. Service is also considered patchy with many farmers having to wait several months for collection to occur, by which time the quality of product presented for collection and recycling has diminished. Collections are undertaken on-farm and often by rural contractors who are the scheme owners customers.
- IV. Agcarm recommends that if this priority product declaration is made, the proposed scheme guidelines identified within the consultation document be implemented in order for the scheme to achieve better product stewardship and environmental benefit.

3.6.1 *Do you agree with declaring as priority products: plastic packaging used for agricultural and horticultural commodities including but not limited to fertiliser sacks, feed sacks, and bulk tonne bags made from woven polypropylene and/or polyethylene.*

Position – Yes Agcarm supports the proposal to declare these items as priority products.

Notes

- I. Agcarm is of the view that there is no functioning product stewardship solution currently in place for woven polypropylene and/or polyethylene packaging used within the agricultural and horticultural industries.
- II. Agcarm support Agrecovery taking the lead management role in dealing with the outlined items.

3.6.2 *Do you agree with declaring as priority products: other plastic packaging and products used for agriculture and horticulture including, but not limited to, protective nets, reflective ground covers, and rigid plastic containers other than containers for agrichemicals, detergents, lubricants or solvents.*

Position – Yes Agcarm supports the proposal to declare these items as priority products.

Agcarm supports Agrecovery taking the lead management role in dealing with the outlined items.

3.7 Proposed ministerial guidelines for priority product stewardship schemes
Do you agree with the proposed guidelines for priority product stewardship schemes outlined in table 3 of the public consultation document?

Position - In principle, Agcarm supports the intention and the majority of design concepts outlined within table three. Agcarm considers that all potential schemes should be subject

to meeting design features to ensure consistency, fairness and a focus on environmentally beneficial outcomes.

4. Specific Comments:

4.1 Intended objectives and outcomes

The intent of the objectives and outcome as outlined in the Discussion Document are supported by Agcarm.

4.2 Legacy Chemicals

Agcarm submits that further discussion is held between industry and government as to how to deal with the recycling of legacy chemicals. As it stands, the quantity of legacy chemicals within New Zealand is unknown. Other schemes to 'mop up' legacy chemicals have not been very successful, hence the problems continue.

As a starting point, an accurate record is required of existing stockpiles, the financial cost of dealing with the legacy chemicals, along with how collection and disposal will be managed.

Agcarm recommends further investigation into legacy chemicals is carried out prior to any decisions being made that would require financing the management of orphan and legacy agrichemical products.

4.3 Fees, funding and cost effectiveness

Agcarm submits that the full cost of management of orphan and legacy chemical should not be met through the product stewardship schemes until the scale of orphan and legacy issues are well understood. See our prior comments.

Agcarm endorses the sentiment that only one accredited scheme be in existence for both agrichemicals and their packaging and for farm plastics. This is supported by the recently completed Rural Waste Minimisation Project that suggests a 'one stop shop' approach to rural waste is likely to have the most benefit.

The exception to only one accredited recycling scheme would be when assessing how to deal with veterinary medicine waste, where we recommend further consultation (with NZVA for instance) is carried out as to the most suitable solution. As yet, we are uncertain as to how vet medicines will be dealt with, hence we are keeping our options open as to the possibility of more than one accredited scheme in this instance.

Competing schemes for agrichemicals and their packaging is likely to have a negative impact due to consumer confusion and an erosion in economies of scale and scope. Agcarm is unaware of any precedence globally for competing regulated product stewardship schemes for agrichemicals and their packaging.

When it comes to fees, how the fees are applied, and the cost of participation within a scheme, Agcarm submits that this should be decided solely between the scheme participants and provider(s) as per the Agrecovery model. There must be no Government interference in fees, application of the fees, and funding decisions associated with belonging to an accredited scheme.

The charging regime - Agcarm supports the philosophy and transparency of separating out the Agrecovery (or equivalent) fees through the Supply Chain – however there needs to be widespread consultation with brands and distributors to ensure that this is efficient, can be accommodated in

the systems used by the brands and distributors, and does not become an administrative burden that outweighs the transparency benefits.

4.4 Governance

Agcarm submits in support of governance being independent, non-profit and representing producers and wider stakeholders. The benefits of multi-stakeholder approach where the interests of all are considered is demonstrated via the Agrecovery framework. This is reflected in governance arrangements for Agrecovery, which include representation from each key stakeholder.

4.5 Non-profit status

Agcarm submits in support of the scheme provider being non-profit. As a trustee for Agrecovery, Agcarm has direct experience of the shortcomings of having a product stewardship scheme operated by private interest. Agcarm considers that each scheme should be operated by a competitively neutral and not-for-profit entity as proposed by the guidelines.

The exception could possibly be with veterinary waste, where more discussion is required as to the most suitable model to support a circular economy.

Agcarm submits that schemes should not be operated by those with a competitive interest when a single scheme is accredited. This would result in the potential for commercial benefit for the operator and is unlikely to meet commerce commission requirements. Schemes need to be competitively neutral.

4.6 Competition

Agcarm submits in support of competitive procurement processes for downstream services, such as collection, sorting, material recovery and disposal.

4.7 Stakeholder engagement and collaboration

Agcarm supports wide stakeholder engagement. Agcarm considers that governance should represent multiple stakeholders and this should be the default expectation.

Agcarm considers that advisory groups could be used from time to time but this should not be imposed by default.

4.8 Compliance

Agcarm submits that further clarity is required on the roles and responsibilities for ensuring compliance with scheme requirements on behalf of producers.

Safety Data Sheets

From the consultation document section - Waste minimisation benefits (WMA 9(2)(a)(ii): "Unused or unwanted agrichemicals cannot be recycled. If they cannot be used legally for their intended purpose, they need to be safely neutralised or destroyed to reduce the risk of environmental harm. This problem is compounded if the original packaging or labelling is no longer able to be deciphered and the highest category of disposal for the contents must be taken". It needs to be noted that there is a requirement for Safety Data Sheets when transporting and destroying any hazardous substance. Realistically for legacy chemicals this may be problematic depending on the age of the chemical.

Agcarm submits that the Ministry needs to clarify how this issue is to be handled in a compliant way.

4.9 Targets

Agcarm supports setting targets and associated reporting requirements. We consider that it should be consistently applied across all accredited schemes. Appropriate mechanisms for public and stakeholder reporting must be in place for transparency and accountability to brand participants.

4.10 Timeframes

Agcarm supports the timeframes suggested.

4.11 Market development

Agcarm supports the general intention of the need for a Research and Development budget. However, we require greater detail as to how Research and Development would be implemented and managed.

End use of collected material

Agcarm submits that it is important that the collection of proposed priority products should not commence until there is a sustainable solution for recycling of the products collected.

4.12 Performance standards, training and certification

Agcarm supports the need for training and standards. We submit that this requirement should be applied consistently across all schemes.

4.13 Liability and insurance

Agcarm supports the liability and Insurance proposals.

4.14 Design for environment

Agcarm supports this proposal.

4.15 Reporting and public accountability

Agcarm submits in support of transparency within approved schemes as outlined within this proposal.

4.16 Public awareness

Agcarm supports the need for transparent product stewardship fees at point of purchase, and considers collaboration across schemes important including general public awareness of product stewardship. However, we submit that more discussion is required as to how this will be managed and how it will be implemented.

4.17 Monitoring, compliance and enforcement

Agcarm submits in support of compliance of participants, subject to ensuring clear roles and responsibilities between schemes, government departments and agencies are developed.

4.18 Accessible collection networks

Agcarm strongly supports the need for accessible collection sites.

As per Agrecovery, Agcarm considers that convenient services should be provided across the country. Different collection and drop-off services should be provided dependent on the needs of the user. For example, for agrichemical packaging that on-farm collection is only available to large-scale users as opposed to small scale. This would better enable a sensible approach to logistics and cost-effectiveness requirements. Restricted Veterinary Medicines may also require different collection points than the existing ones.

Agcarm considers that paid services could still exist in tandem with free services. For example, for farm plastics it would be appropriate to provide paid on-farm collections services if the user wishes to pay for this 'premium' services. However, it will be critical that free services be provided and be relatively convenient. Customer choice should be retained.

5. About Agcarm

Agcarm is the peak New Zealand industry association of companies which manufacture, distribute and sell crop protection and animal health products. Our mission is to protect and enhance the health of crops, animals and the environment - through innovation and responsible use of quality products and services.

For over 70 years, Agcarm has taken a lead role in managing issues of importance to the crop protection and animal medicines industries. This involves engaging with politicians, regulators and stakeholders to ensure that decision-makers take account of industry's views. It also ensures that industry aligns itself with best practice in the management of pests and disease.

Our members research the safest and best methods to do this. In the crop protection industry, our manufacturers support the use of Integrated Pest Management (using all means available to tackle pests and disease). They research all means of control, including biologicals, to ensure the best and most sustainable result for farmers and growers.

Membership to Agcarm is voluntary, with all applicants requiring Board endorsement before being accepted. Agcarm backs this by ensuring all members comply with a Code of Conduct.

This Code certifies that Agcarm members meet industry standards. Compliance with it is a condition of membership - with companies required to meet a number of obligations. This includes complying with relevant legislation, participating in environmental stewardship programmes, acting ethically in product promotion and in accordance with the best interests of industry.

Protecting the environment is integral to this, with support and participation of the rural recycling programme Agrecovery being compulsory for members. Companies must also ensure that their products meet an appropriate standard, all people involved with industry products are appropriately trained, and that they are supportive of ensuring environmental sustainability.

In promoting a healthy environment, Agcarm is involved in a number of other stewardship campaigns, within the crop protection and the animal medicines industries.

Bee health is high on the association's agenda with regular campaigning to protect the wellbeing of New Zealand's bee population, and ensuring that products are used responsibly. The 'Bee Responsible' awareness campaigns were produced in conjunction with the Rural Contractors and Agricultural Aviators associations to raise awareness of the importance of protecting bees and providing guidance for doing so.

Preventing resistance management in animals and plants is another priority for the association and its members. As part of this, Agcarm leads and supports programmes that prolong the effectiveness of crop protection and animal health products liable to encounter resistance problems, and limit losses should resistance appear.

This includes an integral role in the Wormwise Trust - providing expert advice to farmers on managing worms on farms (anthelmintic resistance) as well as antimicrobial resistance. Agcarm contributed to New Zealand's Antimicrobial Resistance Plan which was submitted to the World Health Organisation in May 2017.

The association's ultimate purpose is to ensure that New Zealand continues to lead the world in producing safe, healthy and sustainable food by using the best and safest technology. By dealing with an Agcarm member you too will be part of this worthy goal. So, next time you are considering a purchase of a pesticide or animal medicine, ask if the company is an Agcarm member and if they are you can be assured that you are dealing with knowledgeable staff and a quality product.

APPENDIX 1: Agcarm Membership

Agcarm Membership

Agcarm represents around 90 percent of the crop protection, animal medicines and rural retailers industries within New Zealand. Our companies are both local and globally linked, producing products that enable our farmers and growers to supply high-quality food and fibre into domestic and international markets, along with keeping our animals and pets healthy.

Animal Health Manufacturers

- Bayer Animal Health
- Boehringer Ingelheim
- Ceva Animal Health
- Donaghys
- Ravensdown
- Elanco Animal Health
- MSD Animal Health
- Zoetis NZ
- Troy Animal Medicines

Crop Protection Manufacturers

- ADAMA New Zealand
- AgriNova NZ Ltd (trading as Grochem)
- BASF New Zealand
- Bayer CropScience
- Donaghys
- Corteva
- FMC
- UPL
- Key Industries
- Ravensdown
- Nufarm
- Syngenta Crop Protection
- Lonza
- Kiwicare

Distributors

- Ashburton Trading Society
- Farmlands Co-operative
- Horticulture
- ICD Group
- New Zealand Farm Source
- PGG Wrightson Ltd
- Venture Exports
- Hodder and Turner

Corporate Associates

- AgriMedia
- Argenta
- Eurofins Agroservices
- Medicines New Zealand
- Peracto New Zealand
- Philstic Labels
- Rural Contractors

- Sumitomo Chemical
- Rainbow chemicals

Individual Associates

- Hill Laboratories
- RxVet Limited
- Mantissa Corporation
- Agworld
- Ag Services
- NZ Apple and Pears
- Market Access Solutionz
- Renovo Technologies
- NZ Sports Turf Institute
- Molloy Agricultural Spraying
- Intuit Animal Health Consultants
- Zespri
- HortNZ
- Tracta
- IPPC
- BNS Agchem
- Redcap solutions
- De Groot
- Ranfurly Orchard Services
- NZKGI
- BioGro
- FieldTek
- On Regulatory
- De Sangosse
- Educhem

