

TPP Response EPPR Levy Calculations for the Vegetable and Potato Industries

Current situation

In February tomato potato psyllid (TPP, the psyllid) was detected in commercial and backyard crops across the Perth metro area.

Eradication activities were undertaken in late March. As the potato and vegetable industry's representative for the Emergency Plant Pest Response Deed (the Deed), AUSVEG endorsed these eradication activities and agreed to attempt to raise the vegetable and fresh potato biosecurity levies to contribute to the response.

Eradication activities have been cost-shared at a ratio of 80:20 respectively between governments (the Federal government and all state governments) and affected industries that are signed to the Deed (Nurseries & Gardens, Processed Tomatoes, Vegetables, Potatoes).

Based on the extent of spread, in late April it was decided that the psyllid cannot be eradicated from WA. Following this decision, a 12 month industry/government cost-shared Transition to Management (T2M) program was endorsed. The program will conclude in May 2018.

A T2M program is a structured way of winding down a failed eradication response and handing management of the pest to industry with as many tools/protocols as can be possibly developed during a T2M phase.

On completion of the T2M phase:

- We will know if CLso is carried by our TPP population;
- We will have guidance material to manage TPP at a farm level;
- We will have a national plan to guide management of TPP now, and into the future;
- We will have interstate compliance protocols for produce grown in affected regions; and
- We will have begun Australian research on the biology and management of our endemic population.

EPPR Levy Calculations

Payback cost = \$989,910.00

	Ratio*	Payback	Proposed increase	Accrual (annual)	Timeframe (yrs)
Potato portion	46.50%	\$460,308.15	20%	\$130,467.00	3.53
Veg portion	53.50%	\$529,601.85	2%	\$187,717.62	2.82

Comments:

The additional vegetable crops will benefit from the T2M activities as compliance agreements to facilitate trade will be drafted.

This costing structure reflects potato and vegetable R&D levy contributions the TPP Hort Innovation projects.

Current potato levy is 50c per tonne. A potato levy rate of 0.2 would equate to an extra 10c / tonne. Total potato grower repayments would be 60c / tonne.

Current vegetable levy (R&D, Plant Health) is 0.5%. The EPPR levy would bring the overall vegetable levy to 0.51%.

Estimated repayments based on farm size

Vegetables

Revenue	Rate (%)	Levy payment
\$100,000.00	0.01%	\$10.00
\$200,000.00	0.01%	\$20.00
\$450,000.00	0.01%	\$45.00
\$3,000,000.00	0.01%	\$300.00
\$10,000,000.00	0.01%	\$1,000.00

Potato

Tonnage	Rate (\$)	Levy payment
5	0.1	\$0.50
50	0.1	\$5.00
500	0.1	\$50.00
5000	0.1	\$500.00
10000	0.1	\$1,000.00

Supporting data

Levy Revenue	*Scenarios work from 16-17 figures only	
Financial Year	Potatoes (\$)	Vegetables (\$)
2012-13	593,140	7,871,447
2013-14	596,213	8,090,950
2014-15	641,887	8,784,877
2015-16	618,056	8,975,259
2016-17	652,335	9,385,881
2017-18 (estimate)	782802	9387289

Value of Production (\$ mil)		Total*
Based on Vegetable Statistics Handbook 16/17 Fresh Logic		
Potato		
Fresh potato	659.7	659.7
Vegetables (prod. Impact & trade impact)		
Capsicum	138.9	712.6
Chillies	8.5	
Eggplant	16	
Corn	65.7	
Beans	69.1	
Lettuce	145.5	
Broccoli	210	
Sprouts	16.3	
Cabbage	42.6	

*This scenario results in a 1 to 1.07 ratio potato to vegetables. This ratio is the basis for calculating payback per industry.