



UWG Newsletter December 2020

Commodity Levy Order Referendum

After a successful referendum in 2019, we are happy with a smooth continuation of the Wheat Disaster Relief Scheme, we now run under the Commodity Levies Order 2020.

The only change from the 2014 Levy Order is an adjustment in the collection agents fee, reduced from 5% down to 1.5%.

I would like to acknowledge the contribution to this scheme from all who collect and pass on the Levy. This reduction is in recognition of banking automation and, certainly not losing sight of the importance of this role, the savings here are much appreciated, being passed on to the growers in the Wheat Levy charges.

The Levy for 2020/21

The 2019/20 season will be remembered for a very big year of claims, a huge number coming from hail damage, many from flooding and a number from fire. The harvest was, for most wheat growers, a very good one, however for over 100 growers, the potential was never harvested, it makes it very pleasing to see the scheme working by supporting those who suffered loss beyond their control.

Having the large losses would normally put us at risk of increased Levy charges going forward, however, through the fee reduction mentioned, we are pleased to be able to hold the Levy at the current rate of \$3.75, avoiding passing on a \$0.15 increase.

In the event of a claim, growers will receive compensation to the value of \$225.00/ton of loss. We acknowledge that this does not cover the entire value of your wheat, the aim is to cover production cost to support growers, we therefore remind any concerned growers that top up cover is available through insurers. If you wish to cover remaining exposure, we remind you, you do not need to take out cover for the first \$225.00.

What is covered?

The following is covered;

- Fire, lightning and explosion
- Hail
- Flooding beyond normal water course boundaries
- Wandering stock, not belonging to or under control of the insured
- Snow
- Frost - After November 15th
- Overturning vehicle
- Aircraft or spatial device damage
- Earthquake, volcano or landslip.

Excluded is;

- Wind damage
- Bird damage
- Spoiling in storage possibly caused by insects, heating, insecure storage or lack of monitoring.

Growers must take all practical steps to minimise loss. The full Wheat Scheme Insurance contract is available on the UWG website.

QAgainz

The industry quality assurance scheme is one that UWG is happy to administer to support growers with markets that have quality assurance requirements. We see the scheme as a practical way to match multi market requirements that is not overly onerous on growers while minimising cost.

AsureQuality are our auditors for the scheme, the fee, growers pay annually, covers audits. This year has presented its challenges, with Covid making it difficult to carry out on farm audits through autumn and early winter.

We continue to review ways of gaining efficiencies to help keep the costs under control and the process smooth for farmers. Working with Melanie Bates at FAR and AsureQuality to see if the records growers keep in ProductionWise are suitable for virtual auditing. We support the use of this recording system as a wonderful way of storing farm data. It is then capable of reporting all the paddock and grain storage records required in the audit. However, we acknowledge it is not the only system growers have available to them, so there is more research required. As there is an extensive ability for recording within ProductionWise, growers are using various parts of it to suit their requirements, the available data did not always meet the audit requirements, for these reasons we need more information about what recording systems growers are using.

With this newsletter, we include your annual invoice, also included is a short questionnaire about paddock and grain storage record keeping that growers use. The aim of this is to investigate opportunities for a virtual audit that would supply all the data an auditor needs. Please take time to complete and return this, we require this for future audit planning.

Grower Data Base

The Levy Order referendum again raised our concerns of communicating with our growers via the postal system as costly, slow and unreliable. For this reason, even if you are not a registered QAgainz grower, we would appreciate you complete the questionnaire and email it to the office at info@uwg.co.nz.

This is crucial to enable us to update our records and improve our communication systems. This completed questionnaire will be useful to gain a complete picture of the various systems being used.

The UWG Directors wish Growers a safe and successful harvest following an enjoyable Christmas and New Year with friends and family.

Brian Leadley
Chairman UWG NZ Ltd

