



Application of annual levies to primary processors of fish and bivalve molluscan shellfish

1. Introduction

This document describes the charging system to recover programme costs applying to primary processors of fish and bivalve molluscan shellfish (BMS shellfish).

The levy is based on the tonnes of fish and BMS shellfish primary-processed for domestic and export markets.

Note: on this page the term “fish” is used to mean all species of fish other than bivalve molluscan shellfish BMS. “Fish” includes all species of finfish including crustaceans, cephalopods, gastropods (eg pāua) and echinoderms (eg kina).

2. Levy categories rates

The following categories exist for fish and BMS shellfish

Primary processors of fish other than BMS shellfish

- Fish consumed on the New Zealand market only
- Fish which is processed for export

Primary processors of BMS shellfish

- BMS shellfish consumed on the New Zealand market only
- BMS shellfish which is processed wholly or partly for export

MPI will measure tonnes processed on Greenweight (GWT).

3. Administration of the levy system

The levies apply to all primary processors of fish and BMS shellfish (sea-based and on-shore operations).

“Primary processor” is defined in section 4(1) of the Animal Products Act 1999 and the Animal Products (Definition of Primary Processor) Notice 2000 (see Annex 1).

The levy will be calculated on tonnes of material (fish and BMS shellfish) entering primary processing.

MPI requires all fish and BMS shellfish operators to provide data relating to tonnes processed in a given year. MPI will contact you on the method for doing this.

Operators may be required to provide verifiable records of total tonnages processed. MPI will also conduct reconciliations of company declarations against records it holds to test the integrity of the system. The Animal Products Act provides significant penalties for any person convicted of an offence involving deception.

The export rate is charged on BMS shellfish processed at plants or on vessels that process for export regardless of whether it is destined for the New Zealand or export market. The domestic rate is applicable to those processors that process at plants or on vessels that process only for consumption in New Zealand.

The export rate is charged on fish processed at plants or on vessels where product is intended for export. The domestic rate is charged on fish processed at plants or on vessels where product is intended for consumption in New Zealand.

3.1 Fishing vessels

Fishing vessels operating under a risk management programme that undertake primary processing of fish and BMS shellfish or a regulated control scheme set out in the Animal Products (Regulated Control Scheme – Limited Processing Fishing Vessels) Regulations 2001 are levied according to the GWT tonnes of fish or BMS shellfish primary processed on that vessel.

The applicable levy applies to those fish of any species processed at sea and not delivered to an on-shore processor except for the purpose of storage or transport are subject to a levy per tonne of fish. The levy differs depending on whether the processing at sea is for export or consumption in New Zealand.

Where a fishing vessel is not currently registered under a regulated control scheme or with a risk management programme, the on-shore primary processor that receives fish or BMS shellfish from that vessel is subject to the levy. If fish received from these vessels has been partially processed, the on-shore site will be required to apply the MPI conversion factors (see 3.3) to calculate the GWT tonnage of that fish or BMS shellfish.

MPI recognises there was an issue if fish processed at sea that were intended for direct export are then landed on-shore for further processing, that further processing is considered primary processing and subject to a levy. Some vessel operators did not know the final destination of their product when making estimates which could, in those circumstances, result in double counting, on the vessel and on-shore.

The final declaration process provides an opportunity for vessel operators to reconcile estimates with actual tonnages primary processed. Operators will have records (through the calculation of fisheries conversion factors) of the fish filleted at sea. Further, records supplied to, or held by, licensed fish receivers will provide information as to whether the fish were exported directly or delivered to an on-shore primary processor. Adjustments will be made to the total levy payable and credits, debts, refunds or payments made as necessary.

3.2 On-shore primary processors of fish and BMS shellfish

On-shore primary processors of fish and BMS shellfish are subject to the levy according to their total GWT tonnage of primary processed fish and BMS shellfish.

The levy is applicable to all fish that are processed. However, the levy does not apply to fish filleted at sea that are further processed by an on-shore primary processor as those fish have already be levied on the vessel operator.

3.2.1 Partly processed fish and BMS shellfish material

The new levy rate is based on tonnes of fish or BMS shellfish processed. Where on-shore primary processors receive fish partially processed, the processor can apply the appropriate conversion factors (or numbers) to calculate the GWT tonnage of the fish or BMS shellfish in question. The conversion factors for fish outlined below are based on conversion factors in the Fisheries (Conversion Factors) Notice 2011 (See the MPI Website).

For some species of BMS shellfish (such as Bluff oysters (which are counted by the dozen) or pipi and cockles (usually counted by the bin or the sack) and scallops which are reported on processed weight [wet weight]) the on-shore primary processor may need to convert numbers (dozens), sacks and bins of each species into GWT

tonnage information, so that MPI's BMS shellfish levy can be applied. Conversion rates for some species of BMS shellfish are provided below.

3.2.2 Conversion factors to calculate greenweight¹ for fish (other than BMS shellfish)

The conversion factors described in the latest version of the Fisheries (Conversion Factors) Notice (and any subsequent amendments) must be used where a fish and/or BMS shellfish processing site receives a quantity of partially primary processed fish for further primary processing. Detailed descriptions of processed states together with the species-specific conversion factors for those states are given in the Notices.

These Notices are available for download on the MPI website at www.fish.govt.nz (go to Commercial/Quota Management System/ Conversion Factors).

3.3 Conversion numbers to calculate tonnage for BMS shellfish

BMS Species	Number of BMS shellfish to 1 tonne (1000 kg)
980 Foveaux Strait dredge oysters are equivalent to 100 kg	9,800 Foveaux Strait dredge oysters
One dozen pacific oysters = 0.8kg	Approximately 1,250 dozen pacific oysters

Annex 1

Definitions of primary processing of fish and BMS shellfish (from Animal Products (Definition of Primary Processor) Notice 2000)

1. Operations that categorise a person as a primary processor

For the purpose of the definition of "primary processor" in section 4(1) of the Act, a person who, for purposes of trade or for reward (otherwise than as an employee), carries out the operations or processes described in this notice as primary processing operations or processors in relation to a specified animal product or material is to be treated for the purposes of the Act as a primary processor of that product or material.

2. Fish – On-shore processing

1. The primary processing of fish on-shore occurs at the place where -
 - a. the first methodical assessment of the suitability of the fish for processing is made; and
 - b. the fish are processed.
2. Without limiting the generality of subclause (1), the following operations carried out on-shore also constitute primary processing of the relevant type of fish (whether or not coupled with a methodical assessment of suitability for processing):
 - a. the deheading, gutting, or filleting of finfish:

- b. the tubing of squid
 - c. the wet-storage, depuration, or shucking of shellfish:
 - d. the removing of roe from kina:
 - e. the holding of crustaceans live (otherwise than in a marine farming operation), or their tailing:
 - f. in relation to fish to be sold whole or after processing at sea, any steps (including washing, chilling, freezing, or packing) taken to ensure their delivery to a buyer in good condition.
3. For the purposes of subclause (1)(a), "assessment" may include a visual check to ensure that the fish are in a satisfactory condition for processing to a product fit for human or animal consumption, or any other check provided for under the Act.

[Fish (clause 7) —on-shore processing in general terms, primary processing of fish on-shore will be treated as occurring at the place where the fish are both first assessed for their suitability for processing, and actually processed. Clause 2 also sets out an inclusive list of activities that are to be treated as primary processing.]

3. Fish-processing at sea

1. The following operations carried out at sea constitute primary processing of fish:
- a. the filleting of finfish (but not their mere deheading, gutting, or scaling):
 - b. in respect of fish of any species processed at sea for the purposes of export that are not to be delivered to an on-shore primary processor, any other process normally applied to fish, including -
 - i. washing, chilling, freezing, and preserving:
 - ii. deheading, gutting, scaling, and tubing:
 - iii. packing, transport, and storage.
2. Subclause (1)(a) does not include the filleting of finfish that are to be consumed by the crew of, or workers on, the vessel concerned.

[Fish—processing at sea (clause 8) - the filleting of finfish at sea will be treated as primary processing (whether or not the fish are to be delivered to an on-shore processor). In the case of all fish processed at sea for export without delivery to an on-shore processor, however, all processes normally applied to the fish will be treated as primary processing.]