NEW ZEALAND: ESTIMATES OF SUPPORT TO AGRICULTURE

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DEFINITIONS AND SOURCES

Table 1. Agricultural Support Estimates / Total Transfers contains country Total Support Estimate (TSE) and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programmes applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required* or *not* to receive payment. Each policy measure is also assigned several "labels" indicating additional implementation criteria. "MPS commodities", which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.11.

Table 2. Breakdown of PSE by Commodity and Other Transfers provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3.1 – 3.11 where definitions are included.

Tables 3.1 – 3.11 Producer Single Commodity Transfers contain producer SCT by commodity, which are calculated for NEW ZEALAND for the following commodities: wheat, barley, oats, maize, milk, beef and veal, pigmeat, poultry meat, eggs, sheep meat, wool. In addition, SCT for "other commodities" is also calculated (Table 3.XX), which covers transfers *to single commodities other than MPS commodities*. All data sets in the calculation of producer SCT by commodity come from Tables 1 and 4.1-4.XX where definitions are included.

Tables 4.1 – 4.12 contain **Market Price Support** (MPS) and **Consumer Single Commodity Transfers** (consumer SCT) by commodity, calculated for the same set of commodities as **Tables 3.1** to **3.12**. Definitions are provided only for basic data sets from which all the other data sets in this table are derived.

Definitions of the indicators, criteria for classification of policy transfers included in support estimation, and methods of calculation are contained in the PSE Manual (*OECD's Producer Support Estimate and Related indicators of Agricultural Support: Concepts, Calculations, Interpretation and Use*).

TABLE 1: NEW ZEALAND: TOTAL SUPPORT ESTIMATE

Definitions:

I. Total value of production (at farm gate): Total agricultural production valued at farm gate prices, i.e. value (at farm gate) of all agricultural commodities produced in the country [1].

I.1. Of which share of MPS commodities (%): Share of commodities for which MPS is explicitly calculated (in Tables 4.1-4.11) in the total value of agricultural production.

II. Total value of consumption (at farm gate): Consumption of all commodities domestically produced valued at farm gate prices, and estimated by increasing the value of consumption (at farm gate) of the MPS commodities according to their share in the total value of agricultural production [(II.1) / (I.1) x100].

II.1. Of which MPS commodities: Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Tables 4.1-4.11.

III.1 Producer Support Estimate (PSE): Associated with total agricultural production, i.e. for all commodities domestically produced [Sum of A to G; when negative, the amounts represent an implicit or explicit tax on producers].

A. Support based on commodity output

A.1. Market Price Support: On quantities domestically produced (excluding for on-farm feed use -- *Excess Feed Cost*) of all agricultural commodities, estimated by increasing the MPS for the MPS commodities according to their share in the total value of agricultural production by commodity group [for each commodity group: (ΣMPS for MPS commodities) / (ΣVP for MPS commodities) x VP for total group; the total MPS is then calculated as the sum of MPS by commodity group]. For NEW ZEALAND, the commodity groups considered are: group 1 (crops), group 2 (livestock products)

A.2. Payments based on output

Stabilisation loan write-off
Period of implementation: up to 1986
One-off transitional payment; Payments of NZ$ 25/tonne announced after the harvest and granted to all wheat sold for the 1986/87 harvest.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO
Payments are included in the wheat Single Commodity Transfers (Table 3.1).

B. Payments based on input use

B.1. Payments based on variable input use

Fuel payment
Period of implementation: up to 1986
Value of the exemption on the proportion of the Motor Spirits Duty paid to the National Roads Fund.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

Labour payment
Period of implementation: up to 1986
Budgetary expenditure covering part of wages for a maximum period of twenty-six weeks for workers employed under the Job Opportunity Scheme.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the sheepmeat, wool, beef and milk Group Commodity Transfers (Tables 3.9; 3.10; 3.5 and 3.4).

Fertiliser payment
Period of implementation: up to 30th June 1986
Budgetary expenditure to the fertiliser industry to cover costs associated with reduced prices paid by farmers.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO
Payments are included in the sheepmeat, wool, beef and milk Group Commodity Transfers (Tables 3.9; 3.10; 3.5 and 3.4).

B.2. Payments based on fixed capital formation

Capital grants
Period of implementation: up to 1993
Budgetary expenditure under the Livestock Incentive Scheme (LIS) and the Land Development and Encouragement Loan Scheme (LDELS) on payments to farmers as "an incentive to the improvement of reverted or under-utilized land".
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO
Payments are included in the sheepmeat, wool, beef and milk Group Commodity Transfers (Tables 3.9; 3.10; 3.5 and 3.4).

Rural Bank and Finance Corporation: interest concessions
Period of implementation: up to 1990/91
Provided by the Rural Banking and Finance Corporation, the Department of Maori Affairs and the Department of Lands and Survey. Total value calculated as the difference between the market rate and the subsidized rate paid by the farmers, multiplied by the value of outstanding loans to purchase fixed inputs.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the sheepmeat, wool, beef and milk Group Commodity Transfers (Tables 3.9; 3.10; 3.5 and 3.4).

B.3. Payments based on on-farm services

Agricultural pest control
Period of implementation: up to 1992) Budgetary expenditures for rabbits control and grants to pest destruction boards for carrying out pest eradication as well as operating costs of the Agricultural Destruction Council.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

Animal health division (disease control)
Period of implementation: up to 1989/90) Budgetary expenditure on programmes to safeguard the health of New Zealand’s agricultural animal population, namely export quality assurance for live animals, promotion on animal health and the reduction of production limiting diseases, disease surveillance and disease eradication.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in all livestock Group Commodity Transfers.

Noxious weeds eradication
Period of implementation: up to 1991
Budgetary expenditure on the control of noxious seeds, including payments for employment of Noxious Plants Officers, for the Nassella Tussock Boards, for the eradication of Australian Sedge and the noxious plant control scheme. The scheme was discontinued in February 1985 but payments continued to be made through 1991/92.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

Maori Agri Business Extension Services (prior to 2020: Te Ture Whenua Maori Network)
Period of implementation: from 2016
Budgetary expenditure to improve productivity of Maori owned land through the purchase of tools, interventions and research. Allocated $3.2 million per year, starting in 2015/16.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

New Farm extension service
Period of implementation: from 2019
Budgetary expenditure to support and enable producers to improve environmental, social and wellbeing outcomes in their communities by driving their own solutions. Extension Services emphasises the partnering with farmers, regional stakeholders and agricultural professionals to ensure services are relevant to the needs and priorities of local communities. The programme has a budget of NZD 35 million (USD 23 million) over four years from July 2019 to support up to 2 200 producers across targeted catchments and regions.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

Agricultural Recovery Assistance
Period of implementation: 2019
Budgetary expenditure for expert advice to farmers affected by adverse events, including fire or biosecurity incursion.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in the All Commodities Transfers.

C. Payments based on current area planted/animal numbers/receipts/income – production required

Income tax concessions
Period of implementation: up to 1990
Major tax concessions on farmer's income were given in 1986.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: I.
Payments are included in the All Commodities Transfers.

Climatic disaster relief scheme
Period of implementation: since 1986
Formerly budgetary expenditure on interest concessions by the Rural Banking and Finance Corporation (RBFC) on loans to farmers for restoring boundary fences and stock water supplies due to adverse climatic conditions and payments related to hail damage for horticultural crops. [The RBFC no longer exists.] Now budgetary expenditure through MAF to assist with recovery in the aftermath of large-scale climatic disasters that are beyond the ability of a region or community to manage.
Use of labels: Production and payment limits: NO; Variable payment rates: YES (Payments rates vary according to the severity of damage by natural disasters); Input constraints: NO; Payment eligibility: I.

Payments are included in the All Commodities Transfers.

Earthquake relief support
Period of implementation: 2017-2018
Funding community-driven projects and professional advisory services for future land use planning, for farmers and growers in the Marlborough, Kaikoura and Hurunui region, impacted by the Kaikoura earthquake.
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: I.
Payments are included in the All Commodities Transfers.

D. Payments based on non-current area planted/animal numbers/receipts/income – production required

Producer board debt write-off
Period of implementation: 1986
Budgetary expenditure on debt write-off by sheepmeat and beef producer boards. [This scheme was removed in 1986.]
Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: An.
Payments are included in the sheepmeat, wool, beef and milk Group Commodity Transfers (Tables 3.9; 3.10; 3.5 and 3.4).

E. Payments based on non-current area planted/animal numbers/ receipts/income – production not required

F. Payments based on non-commodity criteria

F.1. Payments based on long-term resource retirement

F.2. Payments based on specific non-commodity output

F.3. Payments based on other non-commodity criteria

G. Miscellaneous payments

III.2 Percentage PSE [100 x (III.1) / ((I) + (Sum of A2 to G))]

III.3 Producer NPC: For all agricultural commodities the producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate).

III.4 Producer NAC [1 / (100 - (III.2)) x 100]

IV. General Services Support Estimate (GSSE): total budgetary expenditure to support general services provided to agriculture [Sum of H to M].

H. Agricultural Knowledge and Innovation System

H.1. Agricultural Knowledge Generation

Dept of Scientific & Industrial Research + MAF Ag. Research then FORST
Period of implementation: since 1986
Research expenditure by the Ministry of Agriculture and Fisheries, the Department of Scientific and Industrial Research and the Department of Lands and Survey up to 1988/89. From 1990 onward, budgetary expenditure provided through the Public Good Science Fund (PGSF), administered by the Foundation of Science, Research and Technology (FRST).

Research on horticulture
Period of implementation: 1992-2000
Specific research expenditure on horticulture (no more detailed information available)

Sustainable Farming Fund
Period of implementation: since 2001
From 2001, Sustainable Farming Fund (SFF) has been provided in order to help rural communities in the sustainable use of land-based resources. Eligible projects are those of up to three years' duration that help with the transfer of the information and technology from experts into the hands of the wider community

Extension
Period of implementation: 1986-1992
Budgetary expenditure on the Advisory and Services Division of MAF allocated to all commodities according to their share in the total value of production. [These services were privatised in 1992.]

Primary Growth Partnership
Period of implementation: since 2010
Administered by the Ministry for Primary Industries, the PGP is a government-industry partnership initiative that invests in significant programmes of research and innovation to boost agricultural productivity, economic growth and the sustainability of NZ's primary, forestry and food sectors. PGP programmes are up to seven years duration. Industry co-investors must invest a minimum of 60% of the total investment (50% for programmes approved in or before December 2015), with a minimum amount of NZD 0.5 million to co-invest over the lifetime of a programme; the balance Is invested by the Crown.

M Bovis research fund
Period of implementation: from 2019
Budgetary expenditure for funding research and science expertise to help eradicate M. bovis. MPI allocated NZD 30 million to invest in different research programmes in 2019 and 2020, as part of the larger funding allocated to eradicating M. bovis.

Sustainable Food and Fibre Futures
Period of implementation: from 2020
Budgetary expenditure for funding innovative projects that create more value and improved sustainability for the food and fibre industries. SFF Futures has a budget of NZD 40 million (USD 26 million) per year and provides a single gateway for farmers, growers, harvesters and industry to apply for investment in a range of projects that deliver economic, environmental and social benefits. Projects can range from small, one-off initiatives to long-running multi-million dollar partnerships. Community projects require co-investment from the partner organisation of at least 20% of costs. Commercially-driven projects require co-investment of at least 60% of costs.

Sustainable land management and climate change research
Period of implementation: from 2020

Budgetary expenditure for funding research to help agricultural and forestry sectors with the challenges arising from climate change. The programme funds different projects in the area of freshwater, adaptation and resilience.

H.2. Agricultural Knowledge Transfer

H2.a. education

Jobs for nature programme (training component)
Period of implementation: since 2020
Budgetary expenditure for MPI's Primary Sector Workforce programme, to bring more New Zealanders into work in the food and fibre sector over four years. The programme finances different activities including among others, familiarisation courses, training and mentoring, in collaboration with training providers and industry bodies.

H2.b. extension services

Industry training organizations
Period of implementation: No data available up to 1995
Budgetary expenditure on agricultural education by the Tertiary Education Commission (TEC) to Industry Training Organizations.

Agriculture University Courses
Period of implementation: since 2005
No further details available.

I. Inspection and Control

I.1. Agricultural product safety and inspection

I.2. Pest and disease inspection and control

Regulatory system (primary processing)
Period of implementation: From mid-1990s
Budgetary expenditure on regulatory programme for animal products, dairy products, agricultural compounds and veterinary medicines (includes standard setting, programme development, systems audit, verification, and enforcement). [NOTE: no budgetary expenditures recorded in the file]

Agricultural quarantine service
Period of implementation: Since 1986
Budgetary expenditure on the control of agricultural products' entry into the country.

Regulatory system (biosecurity)
Period of implementation: From mid-1990s
Budgetary expenditure on all aspects of the biosecurity system relevant to agricultural production (includes standard setting, operational systems, accreditation, official assurances, border clearances, surveillance programmes, and response activities). [NOTE: no budgetary expenditures recorded in the file]

Pest management
Period of implementation: From 1994

Budgetary expenditure allocated by MAF for control of tuberculosis vectors (primarily possums) and also by Regional Councils for control of animal and plant pests (to protect health and life of agricultural plants and livestock, plus native flora and fauna). This expenditure was formerly classified as PSE B3 until 2009.

Response to Kiwifuit disease (Psa)
Period of implementation: 2012-2017
Budgetary expenditure allocated by the Ministry for Primary Industries for managing the kiwifruit disease Psa. Kiwifruit growers who have been severely impacted by Psa may be eligible for Rural Assistance Payments, when they have no other significant income from farm business as a result of Pse, or other sources of income and realisable cash assets. Payments for a maximum of 12 months.

Rural Veterinary Bonding Scheme
Period of implementation: From FY 2012-13
Budgetary expenditure allocated by the Ministry for Primary Industries to address shortages of veterinarians working with production animals. Under the Scheme, new veterinary graduates volunteer to work for a minimum of three years in an eligible veterinary practice that has an overall production animal focus. In return, the Scheme provides a taxable payment of $11,000 for each year worked in that practice, for a maximum of five years. There are 30 new places to be filled each year. (http://www.nzva.org.nz/vets-vet-businesses/rural-bonding-scheme?destination=node%2F1917).

Wilding pine conifer control programme
Period of implementation: From 2017
Budgetary expenditure allocated by the Ministry for Primary Industries to address the spreading of wilding pines. Wilding pines are weeds that overwhelm the native landscape and have the potential to spread across 7.5 hectares of vulnerable land within 30 years if there is no national intervention. The national wilding conifer control programme funds projects that preserve natural landscapes on both private and rural land and crown owned conservation estate land from encroachment of pine trees that have accidentally seeded.

Compensation for M bovis livestock slaughter
Period of implementation: From 2018
Budgetary expenditure allocated by the Ministry for Primary Industries to address the appearance of *Mycoplasma bovis*. The schemes aims at eradicating the disease within 10 years. Government is to meet 68 of eradication costs. Affected farmers can apply for compensation, if they have suffered a verifiable loss as a result of damage to, or destruction of, property (including stock and equipment destroyed in an attempt to limit the spread of the bacteria).

Wallaby control programme
Period of implementation: From 2020
Budgetary expenditure allocated by the Ministry for Primary Industries as part of the government's Jobs for Nature Programme. The programme has $27.4 million of funding from 2020 to 2024. Activities include surveillance and population control, building fences to slow the spread of wallabies, and improving wallaby detection and control methods.

I.3. Input control

Meat and dairy inspection programme
Period of implementation: Since 1986
Budgetary expenditure for the control of hygiene standards and grading; replaced, in 1990, by a Quality Assurance programme for inspection, laboratory analysis, audit and certification; plus costs of seed certification for wheat and coarse grains.

J. Development and maintenance of Infrastructure

J.1. Hydrological Infrastructure

Community irrigation schemes
Period of implementation: since 1986
Budgetary expenditures under the community irrigation scheme covering the operation and maintenance of the Crown's existing irrigation schemes until they are sold to private buyers, the cost of the sale of irrigation assets.

Flood control and land drainage
Period of implementation: Since 1994
Budgetary expenditures by Regional Councils to support initial construction of flood protection and land drainage schemes to reduce the effects of flooding on life and property.

J.2. Storage, marketing and other physical infrastructure

Soil conservation
Period of implementation: Since 1994
Budgetary expenditures by Regional Councils on cost-share programmes to encourage best land management practices, e.g. prevention of erosion.

J.3. Institutional infrastructure

OVERSEER nutrient management tool
Period of implementation: 2015-2017, 2018-2021
Budgetary expenditures for further development of the nutritient management tool. $1.1 million for three years (2015-2017). Budgetary expenditures for better coverage of environmentally friendly farm practices, the inclusion of a wider range of land types and farming systems, and a more user-friendly interface (2018-2021).

J.4. Farm restructuring

K. Marketing and promotion

K.1. Collective schemes for processing and marketing

K.2. Promotion of agricultural products

L. Cost of Public stockholding

M. Miscellaneous

Sustainable Management Fund
Period of implementation: 1995-2004
[Expenditures removed from the calculation of the GSSE.]

V.1 Consumer Support Estimate (CSE): Associated with agricultural production, i.e. for the quantities of commodities domestically produced, excluding the quantities used on-farm as feed -- excess feed cost. [Sum of N to Q; when negative, the amounts represent an implicit tax on consumers].

N. Transfers to producers from consumers (TPC): Associated with market price support on all domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group: (Σ TPC for MPS commodities) / (ΣVP for MPS commodities) x VP for total group; the

total TPC is then calculated as the sum of TPC by commodity group. For the list of commodity groups, see Section A.1. Market Price Support within this Table 1].

N.1. Of which MPS commodities: Sum of the values of transfers from consumers to producers associated with market price support for the MPS commodities as calculated in Tables 4.1 to 4.11.

O. Other transfers from consumers (OTC): Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group: (Σ OTC for MPS commodities) / (ΣVP for MPS commodities) x VP for total group; the total OTC is then calculated as the sum of OTC by commodity group. For the list of commodity groups, see Section A.1. Market Price Support within this Table 1].

O.1. Of which MPS commodities: Sum of the transfers to the budget associated with market price support on the quantities imported of the MPS commodities as calculated in Tables 4.1 to 4.11.

P. Transfers to consumers from taxpayers

P.1. Commodity specific transfers to consumers: Sum of commodity specific transfers from taxpayers to consumers (farm gate level) from Tables 4.1-4.11.

P.2. Non-commodity specific transfers to consumers: Sum of non-commodity specific transfers from taxpayers to consumers, including:

Assistance to food banks (COVID-19)
Period of implementation: 2020
Budgetary expenditures by the government to support the delivery of food and welfare assistance by local authorities and Civil Defence Emergency Management Groups during New Zealand's COVID-19 Alert Levels 3 and 4. The funding was used to bolster the organisation of food parcels and provide upfront funding or reimbursement to food banks, community food organisation and other welfare providers.

Q. Excess Feed Cost: Associated with market price support on quantities of domestically produced crops and used on-farm as feed as calculated (Sum of *Excess Feed Cost* in the MPS Tables 4.1 and 4.2).

V.2 Percentage CSE [100 x (V.1) / ((II) + (P))]

V.3 Consumer NPC: For all agricultural commodities the consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate).

V.4 Consumer NAC [(1 / (100 -(V.2)) x 100]

VI. Total Support Estimate [(III.1) + (IV) + (P)] and [(R) + (S) - (T)]

R. Transfers from consumers [(N) + (O)]

S. Transfers from taxpayers [(III.1)-(N) + (IV) + (P)]

T. Budget revenues [(O)]

TABLE 2. NEW ZEALAND: BREAKDOWN OF PSE BY COMMODITY SPECIFICITY AND OTHER TRANSFERS

All data sets in Table 2 to come from Tables 1 and 3.1 to 3.10 where definitions are included.

Definitions:

I. Producer Single Commodity Transfers (producer SCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm level, arising from policy measures directly linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes policies where payments are specified on a per-commodity basis [Sum of SCTs for individual commodities from Tables 3.1-3.11].

Percentage producer SCT: is the commodity SCT expressed as a share of gross farm receipts for the specific commodities (including support in the denominator). This indicator can be expressed for the total SCT (Table 2), or for a specific commodity (Table 3.1 to 3.11).

$\%SCT = 100^* SCT / (\text{Value of production}_{COM} + A.2_{COM} + B_{COM} + C_{COM} + D_{COM})$

Share in Total PSE (%): $SCT_{SHARE} = 100^* SCT / PSE$

II. Group commodity transfers (GCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures whose payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer may produce from a set of allowable commodities and receive a transfer that does not vary with respect to this decision [$GCT = B_{GROUP} + C_{GROUP} + D_{GROUP}$].

Share in Total PSE (%): $GCT_{SHARE} = 100^* GCT / PSE$

Transfers to specific groups of commodities: the GCT indicator is calculated for Australia for the following groups of commodities: All crops, fruits and vegetables, all livestock, and ruminants.

III. All commodity transfers (ACT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice [$ACT = C_{ALL} + B_{ALL} + D_{ALL}$].

Share in Total PSE (%): $ACT_{SHARE} = 100^* ACT / PSE$

IV. Other Transfers to Producers (OTP): the annual monetary value of gross transfers made under policies that do not fall in the above three cases (SCT, GCT, ACT). That is, payments that do not require any commodity production at all. [OTP = E + F + G]

Share in Total PSE (%): $OTP_{SHARE} = 100^* OTP / PSE$

V. Total PSE: PSE = A + B + C + D + E + F + G = SCT + GCT +ACT + OTP

Percentage PSE: %PSE=100*PSE / (Total Value of Production at farm gate+A.2.+B+C+D+E+F+G)

TABLE 3. NEW ZEALAND: PRODUCER SINGLE COMMODITY TRANSFERS (BY COMMODITY)

Tables 3.1 to 3.11, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: wheat, maize, other grains, sunflower, sugar beet, milk, beef, pigmeat, poultry, eggs and "other commodities". All data sets in the calculation SCT by commodity come from Tables 1 and 4.1 – 4.10 where definitions are included.

Definitions:

I. Level of production: Data from respective commodity Tables 4.1 – 4.10 (Market Price Support tables)

II. Value of production (at farm gate): Data for respective commodity Tables 4.1 – 4.10 (Market Price Support tables)

III. Producer Single Commodity Transfers: Sum of transfers to respective single commodity in categories A, B, C and D.

A. Support based on commodity output

A1. Market Price Support [Data for respective commodity from Table 4]

A2. Payments based on output

Payments based on output (A.2) provided to respective single commodity [Data from Table 1]

B. Payments based on input use, single commodity [$B.1_{COM}$ + $B.2_{COM}$ +$B.3_{COM}$]

B1. Based on variable input use

Payments based on variable input use ($B.1_{COM}$) provided to respective single commodity [Data from Table 1].

B2. Based on Fixed capital formation

Payments based on fixed capital formation ($B.2_{COM}$) provided to respective single commodity [Data from Table 1].

B3. Based on on-farm services

Payments based on on-farm services ($B.3_{COM}$) provided to respective single commodity [Data from Table 1].

C. Payments based on current A/An/R/I, production required, single commodity

Payments based on current A/An/R/I (C_{COM}) provided to respective single commodity [Data from Table 1].

D. Payments based on non-current A/An/R/I, production required, single commodity

Payments based on non-current A/An/R/I, production required (D_{COM}) provided to respective single commodity [Data from Table 1].

IV. Percentage producer SCT : %SCT =100*(III) / ((II) + (A.2) + (B_{COM}) +.(C_{COM}).+.(D_{COM}))

TABLE 4. NEW ZEALAND: MARKET PRICE SUPPORT AND CONSUMER SINGLE COMMODITY TRANSFERS

Tables 4.1 to 4.10, contain calculation of the Market Price Support (MPS) and Consumer Single Commodity Transfers (consumer SCT) for the following commodities: wheat, maize, other grains, sunflower, sugar beet, milk, beef, pigmeat, poultry, eggs and "other commodities". The data sets used in calculation of the MPS and consumer SCT by commodity are described below. Values for "other commodities" are derived using information on total Market Price Support and Value of Production, and individual commodity data.

Definitions:

1. Wheat

I. Level of production

Total production of all cultivators from all sources

Source: New Zealand Department of Statistics (NZDS), *Situation and Outlook for New Zealand Agriculture and Forestry*, and data reported in various serials published by the Ministry of Agriculture and Forestry (MAF).

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Importable

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Apparent consumption, i.e. production minus exports (in the following year)

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

2. Barley

I. Level of production

Total production of all cultivators from all sources

Source: New Zealand Department of Statistics (NZDS), *Situation and Outlook for New Zealand Agriculture and Forestry*, and data reported in various serials published by the Ministry of Agriculture and Forestry (MAF).

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production. Since 1987, barley price refers only to feed barley.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Importable or exportable

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Apparent consumption, i.e. production minus exports (in the following year)

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

3. Oats

I. Level of production

Total production of all cultivators from all sources

Source: New Zealand Department of Statistics (NZDS), *Situation and Outlook for New Zealand Agriculture and Forestry*, and data reported in various serials published by the Ministry of Agriculture and Forestry (MAF).

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Not or little traded

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Apparent consumption, i.e. production minus exports (in the following year)

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

4. Maize

I. Level of production

Total production of all cultivators from all sources

Source: New Zealand Department of Statistics (NZDS), *Situation and Outlook for New Zealand Agriculture and Forestry,* and data reported in various serials published by the Ministry of Agriculture and Forestry (MAF).

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Importable or exportable, little trade

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Apparent consumption, i.e. production minus exports (in the following year)

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

5. Milk

I. Level of production

Milk production, calculated as the sum of town milk and manufacturing milk production

Source: New Zealand Department of Statistics (NZDS), *Situation and Outlook for New Zealand Agriculture and Forestry,* and data reported in various serials published by the Ministry of Agriculture and Forestry (MAF).

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Exportable

Source: Production - Consumption

V. Market price differential at the farm gate

For 1986-1987, MPD is calculated from the price gap (PP-RP).

Since 1988, MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

For 1986-1987, calculated as Producer Price minus the Town Milk pricing subsidy divided by the level of production.

Since 1988, equal to the Producer Price (MPD = 0) as the Town Milk pricing subsidy was abolished

Sources: none

VII. Level of consumption (at farm gate)

Apparent consumption of market fresh milk, plus consumption of milk products in milk equivalent

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

For 1986-1987, calculated from reference price plus the Town Milk pricing subsidy divided by the level of consumption.

Since 1988, due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

6. Beef and veal

I. Level of production

Total production in carcass weight of slaughtering (including dairy cattle for beef); canned meat production. Includes production from rural slaughterhouses, on-farm kill, and pet food factory kill

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Exportable

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Local disappearance of beef and veal, including farm and rural slaughterhouse kill, carcass weight; and carcass weight equivalent of canned and miscellaneous processed beef and veal

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

7. Pig meat

I. Level of production

Total production in carcass weight of slaughtering. Includes production from rural slaughterhouses, on-farm kill, and pet food factory kill

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Importable

Source: Production - Consumption

V. Market price differential at the farm gate

1986-1987: calculated as price gap (PP-RP).

Since 1988: MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

1986-1987: Implicit import price obtained by applying the tariff rate to the wholesale price (estimated as the producer price plus processing margin estimated at 50 per cent of the producer price).

Since 1988: Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Total apparent consumption (i.e. production minus net exports of pork, bacon and ham), carcass weight

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

8. Poultry meat

I. Level of production

Commercial production in carcass weight of meat of chicken, roasting fowl, duck and turkey. Goose and pheasant meat is not included

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)(II)]*

IV. Trade status

Importable

Source: Production - Consumption

V. Market price differential at the farm gate

Calculated as price gap (PP-RP) given the SPS related import restrictions in place (due to the absence of a product-specific Import Health Standard in place, no uncooked chicken meat can be imported into New Zealand). Negative MPDs are set to zero as there are no price-related policies in place other than the SPS related import restrictions.

VI. Reference prices at the farm gate (including the definition of the margin)

Weighted unit value of US producer farm gate prices of poultry meat (broilers, chickens and turkeys).

Sources: USDA, *Poultry: Production and Value*, various years. OECD PSE/CSE database, US calculation

VII. Level of consumption (at farm gate)

Apparent consumption

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

9. Eggs

I. Level of production

Commercial production in carcass weight of meat of chicken, roasting fowl, duck and turkey. Goose and pheasant meat is not included

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Exportable (small trade volumes)

Source: Production - Consumption

V. Market price differential at the farm gate

Calculated as price gap (PP-RP) given the SPS related import restrictions in place (due to the absence of a product-specific Import Health Standard in place, no table eggs can be imported into New Zealand). Negative MPDs are set to zero as there are no price-related policies in place other than the SPS related import restrictions. [NOTE: this may seem inconsistent with the trade status]

VI. Reference prices at the farm gate (including the definition of the margin)

Export unit value of eggs-in-shells exported by the European Community minus processing margin estimated as 5 per cent of the producer price

Sources: EUROSTAT, External trade-Exports, various years

VII. Level of consumption (at farm gate)

Apparent consumption

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

Calculated

Source: Calculated

10. Sheep meat

I. Level of production

Total production in carcass weight of slaughtering (including mutton and lamb for sheepmeat); and animals exported live (for sheep) (number exported multiplied by 0.020). Includes production from rural slaughterhouses, on-farm kill, and pet food factory kill

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Exportable

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Total apparent consumption of mutton and lamb, carcass weight

Source: MAF replies to the OECD Agricultural Directorate's "Medium-Term Market Developments and Policies Questionnaire"(AGLINK).

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)(VIII)]*

Calculated

Source: Calculated

11. Wool

I. Level of production

Total production of greasy and scoured wool in greasy equivalent weight; excluding slip wool and wool on sheepskins (which is exported).

Source: 1986-1990: New Zealand Department of Statistics (data transmitted by MAF). 1991 onward: MAF estimate.

II. Producer prices (at farm gate)

Implicit average farm-gate price calculated by dividing the value of production by the level of production.

Source: OECD Aglink Databases

III. Value of production (at farm gate) [(I)(II)]*

IV. Trade status

Exportable

Source: Production - Consumption

V. Market price differential at the farm gate

MPD set to zero – no price-related policies in place

VI. Reference prices at the farm gate (including the definition of the margin)

Equal to the Producer Price (MPD = 0)

Sources: none

VII. Level of consumption (at farm gate)

Consumption of wool, in greasy equivalent, obtained by multiplying consumption of clean wool by 1.33

Source: New Zealand Wool Board, annual report -- year ended June; since 1991, OECD Secretariat estimates.

VIII. Consumption prices (at farm gate)

Calculated from producer price. Due to the absence of any other price-related factors, CP=PP

Source: Calculated.

IX. Value of consumption (at farm gate) [(VII)(VIII)]*

Calculated

Source: Calculated