



CALL TO ACTION

Dear Chestnut Grower/Levy Payer,

As you would be aware the Australian Chestnut Industry has a Statutory Levies/Charges process that currently collects 11 cents per kilogram of nuts. The division of those 11 cents is the following: -

- Marketing 5.0 cents
- R&D 4.5 cents
- PHA Levy 0.5 cents (Plant Health Australia membership)
- EPPR Levy 1.0 cents (Chestnut Blight Response)

As Statutory Levies/Charges funds are collected by the Australian Government through the Levies Revenue Service (a section with the Department of Agriculture, Fisheries and Forestry (DAFF)) and then distributed to either Hort Innovation (Marketing and R&D levies) or Plant Health Australia (PHA and EPPR Levies) for them to manage and undertake industry required programs.

The PHA Levy is now known as the BIOSECURITY ACTIVITY LEVY and the EPPR Levy is now known as the BIOSECURITY RESPONSE LEVY.

The Statutory Chestnut Levies/Charges has been in place for almost 35 years and has been modified and changed at times during that period.

The process of setting and/or changing the Statutory Levy/Charge is the responsibility of Chestnuts Australia Inc. (CAI) as the recognised Industry Representative Body (IRB) or the Peak Industry Body (PIB). Any changes must be undertaken through consultation with the industry and in particular you the Grower/Levy payer.

Over the past five years the issues facing the Australian Chestnut industry have increased. These include Chestnut Nut Rot, Chestnut Blight and Phytophthora. The past two seasons have seen a high level of devastation from Nut Rot.

CAI has struggled to undertake the required R&D to develop practical solutions to this disease based on the small amount of funds in the R&D pool.

The CAI Executive Committee has held a number of meetings that have involved many of the major producers and there appears to be strong support to both an increase and adjustment of the Chestnut Statutory Levies and Charges.

CAI is proposing the following changes and is putting these proposed changes to you the Grower/Levy payer through a formal vote. The changes proposed are as follows:

Increase the overall levy/charge total to 14 cents (from 11 cents)

Adjust the following:

- Marketing 2.5cents (***decreased from 5 cents***)
- R&D 11.0 cents (***increased from 4.5 cents***)
- PHA Levy 0.5 cents (***unchanged***)
- EPPR Levy 0.0 cents (***decreased from 1 cent***)

We are at the crossroads in relation to the levy given that the: -

- High levels of crop losses due to diseases
- Crop levels are not dramatically increasing; therefore, the levy is not increasing,
- There has been very limited new R&D being undertaken over the last 5 years.

CAI has a real concern that the current Levies/Charges are not achieving an acceptable Return on Investment to you the Grower/Levy payer.

Attached to this letter is a more detailed proposal. The topic and the proposed changes will be discussed as part of the Annual General Meeting on Saturday 13th September 2025 in Wangaratta. After that meeting the Ballot process will commence and be open for six weeks.

The ballot will be managed by Bradbrook Lawyers, an independent legal firm, who have experience with the levy procedure having undertaken similar services for Summerfruit Australia Ltd and the Australian Sweetpotato Growers Association Inc.

If the changes are adopted a formal proposal will be put to the Minister for Agriculture with the aim of implementing the changes at the 1st of July 2026.

This is your opportunity to have input into the process and give direction to your Executive Committee.

PLEASE RESPOND BY ATTENDING THE UPCOMING CONFERENCE AND AGM.

Brian Casey

President

For and on behalf of the Executive Committee

Chestnuts Australia Inc.

9th September 2025