



CHESTNUTS AUSTRALIA INC.

CALL TO ACTION

RE: Proposed change to the Chestnut Statutory Levy/Charge – FORMAL VOTE

INTRODUCTION:

Back in 2019 there was a proposal to alter the Chestnut Levy/Charge that included reducing the marketing Levy/Charge to zero and increasing the R&D Levy/Charge to 7 cents per kilogram. While this proposal was supported, due to the circumstances at the time the proposal was withdrawn.

Over the past few years, the volume of Levies available across the programs has either been stable or has reduced. Much of the reduction over the past two seasons has been due to the increased crop losses through disease incidents including Chestnut Nut Rot, Chestnut Blight and Phytophthora.

Over the past two years CAI has worked to achieve maximum spending from the R&D pool on these diseases, but it has shown it to be insufficient to undertake serious and substantial research projects.

In February 2025 CAI held a grower meeting at which substantial information was presented regarding the potential management and control of Chestnut Nut Rot. At that meeting a number of Growers raised the Chestnut Levy/Charge and suggested that it should be reviewed with the aim of increasing the R&D pool.

There was general support from those in attendance that the CAI Executive Committee undertake a review and consider the options.

Members of the CAI Executive Committee discussed options with many of the larger growers within the industry.

From these discussions a concept paper was prepared and presented to the CAI Executive Committee for consideration. After long and in-depth discussions, the following motion was unanimously adopted by the CAI Executive Committee at their meeting on the 17th of June 2025

EXECUTIVE COMMITTEE MOTION:

“The CAI Executive Committee has endorsed the proposal and changes to the Levy/Charge figures prepared and presented to the Committee:

- **Total Levy/Charge being increased by 3 cents to 14 cents and that the 3 cents be allocated to R&D**
- **Marketing Levy/Charge being reduced from 5.0 cents to 2.5 cents and that the 2.5**

cents be transferred to R&D

- The EPPRD Levy/Charge being set at zero (once the CAI Liability is paid) with the 1.0 cent going to R&D
- The PHA Levy/Charge being retained at 0.5 cents.

and that the proposal be presented to ALL Australian Chestnut Growers/Levy Payers and a Vote/Ballot be conducted with Growers/Levy Payers to ultimately request support to increase the Levy/Charge and change the Split.”

The CAI Executive Committee is now at the point of taking this proposal out to the Grower/Levy payers base for consideration. A formal ballot will be undertaken that will be used by CAI to undertake the next steps.

THE PROCESS OF DEVELOPING THE PROPOSAL TO PRESENT TO INDUSTRY:

The following proposal was developed from the Executive Committee Motion and is now being presented to ALL Australian Chestnut Growers/Levy Payers for consideration: -

- **Increase the overall Chestnut Levy/Charge to fourteen (14) cents from eleven (11) cents.**
- **Retain** the Plant Health Australia Levy/Charge (now the Biosecurity Activity Levy) contribution at 0.5 cents per kilogram.
- **Reduce** the Emergency Plant Pest Response Deed Levy/Charge (now the Biosecurity Response Levy) from one (1) cent per kilogram to zero (0) cents
- **Reduce** the Marketing Levy/Charge from five (5) cents per kilogram to two and a half (2.5) cents per kilogram.
- **Increase** the R&D Levy/Charge component from four and a half (4.5) cents per kilogram to eleven (11) cents per kilogram.

The overall objective is still ‘to focus investment on key areas for the industry’s future growth’ It is also important to note that the R&D Levy is only eligible for matched \$ for \$ funding by the Commonwealth Government which effectively doubles the amount of funding available for R&D projects.

The proposal has been constructed as a Motion for consideration by ALL Australian Chestnut Growers/Levy Payers.

What you are being asked to consider and vote on is detailed in the following table and is presented below under the FORMAL PROPOSAL section: -

Levy and charge component	Current Levy and charge rate	Proposed Levy and charge rate
EPPR (now the Biosecurity Response Levy)	1 cent per kilogram	0.0 cents per kilogram
Marketing	5 cents per kilogram	2.5 cents per kilogram
PHA (now the Biosecurity Activity Levy)	0.5 cents per kilogram	0.5 cents per kilogram
R&D	4.5 cents per kilogram	11.0 cents per kilogram
TOTAL	11.0 cents per kilogram	14.0 cents per kilogram

OVERVIEW:

Industry:

The Australian Chestnut Industry has been stagnant across many years due to a number of factors.
In 2024 the Australian Chestnut Industry produced 1,078 tonnes with a farm gate value of \$8.2 million.



Over the past three years (since 2022) Australia’s chestnut production has declined by 261 tonnes. This has seen a loss in GVP of approximately \$2 million or 20% of the crop.
Current crop sales for 2025 show an even further decline.

YEAR ENDING JUNE	2022	2023		2024	
	Value	Value	% YoY	Value	% YoY
Production (KWE t)	1,339	1,255	-6%	1,078	-14%
Production (\$m)	\$10.1	\$9.6	-5%	\$8.2	-14%
Export Volume (KWE t)	<1	1	+83%	6	>100%
Export Value (\$m)	\$-	\$-	-	< \$0.1	-
Import Volume (KWE t)	23	2	-93%	3	+90%
Import Value (\$m)	< \$0.1	< \$0.1	-86%	< \$0.1	>100%
Domestic Supply (KWE t)	1,359	1,256	-8%	1,076	-14%
Domestic Supply Wholesale Value (\$m)	\$12.0	\$11.3	-6%	\$9.7	-14%
Domestic Supply per Capita (kg)	0.05	0.05	-9%	0.04	-17%

Sources: CAI; ABS; AC; CFVIWA; GTA/TDM; MP & DD (Freshlogic Analysis/s)

<https://www.horticulture.com.au/globalassets/hort-innovation/australian-horticulture-statistics-handbook/hort-innovation-ahsh-2023-24-nuts.pdf>

Chestnut Nut Rot is the biggest single pest/disease issue facing the Chestnut Industry and there are limited control options.
Many growers have lost over 50% of the crop across a range of varieties.

Based on some annual crop figures, as of 8th August 2025), the crop going to market from the NE region of Victoria has declined from 886 tonnes to 662 tonnes.
 At an average of \$6 per kg this equates to an estimated loss of \$1,344,000 to growers across the each of the 2023, 2024 and 2025 seasons.
 Much more product did not reach the packing line or was discarded at the packing line.

Based on the current Levy/Charge collection the ability to undertake substantial and effective research is constrained. With growers struggling with crop losses, it is important that the industry finds solutions or growers will start to exit the industry.

By taking forward a proposed Levy/Charge change the Chestnut Industry can undertake more and focussed research to ensure the industry remains viable and profitable.

Based on the proposed changes the following is a prediction as to what the Levy/Charge situation could look like

R and D Before									
Chestnuts	R&D	R&D	R&D	R&D	R&D	R&D	R&D	R&D	R&D
	2023/2024	2024/2025	2025/2026	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening Balance	100,469	131,395	140,121	111,650	93,005	74,308	55,452	36,126	36,637
Levies from growers	54,166	43,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Commonwealth funds	27,009	34,202	79,784	69,359	69,007	68,763	68,822	48,567	48,508
Other Income	5,201	1,387	2,802	2,233	1,860	1,486	1,109	723	733
Total Income	86,376	78,589	132,587	121,592	120,867	120,249	119,931	99,290	99,240
Project funding ¹	45,337	57,411	53,926	36,426	35,835	35,425	35,525	1,525	1,425
Available for Investment	0	0	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Grower Consultation & Advice ²	0	0	0	0	0	0	0	0	0
Service delivery	8,683	10,992	25,643	22,292	22,179	22,100	22,119	15,610	15,590
Total matched expenditure	54,020	68,403	159,569	138,718	138,014	137,525	137,644	97,135	97,015
Closing balance	131,395	140,121	111,650	93,005	74,308	55,452	36,126	36,637	37,185
Levy collection costs	1,430	1,460	1,489	1,519	1,549	1,580	1,612	1,644	1,677

R and D Implementing Scenario 3 from FY26/27

*Available for Investment increased to \$200k from FY26/27

Chestnuts	R&D	R&D	R&D	R&D	R&D	R&D	R&D	R&D	R&D
	2023/2024	2024/2025	2025/2026	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening Balance	100,469	131,395	140,121	111,650	101,536	91,543	81,562	71,291	81,038
Levies from growers	54,166	43,000	50,000	130,020	130,020	130,020	130,020	130,020	130,020
Commonwealth funds	27,009	34,202	79,784	140,847	140,495	140,251	140,310	120,055	119,996
Other Income	5,201	1,387	2,802	2,233	2,031	1,831	1,631	1,426	1,621
Total Income	86,376	78,589	132,587	273,100	272,546	272,102	271,962	251,501	251,637
Project funding ¹	45,337	57,411	53,926	36,426	35,835	35,425	35,525	1,525	1,425
Available for Investment	0	0	80,000	200,000	200,000	200,000	200,000	200,000	200,000
Grower Consultation & Advice ²	0	0	0	0	0	0	0	0	0
Service delivery	8,683	10,992	25,643	45,268	45,155	45,077	45,096	38,586	38,567
Total matched expenditure	54,020	68,403	159,569	281,694	280,990	280,502	280,621	240,111	239,992
Closing balance	131,395	140,121	111,650	101,536	91,543	81,562	71,291	81,038	91,005
Levy collection costs	1,430	1,460	1,489	1,519	1,549	1,580	1,612	1,644	1,677

The proposed change would result in a near tripling the available R&D funds and along with other pools of funding CAI believes it can achieve very valuable changes to the Industry that will show a real return on investment.

LEVY:

The current Chestnut Levy/Charge:

The Department of Agriculture, Fisheries and Forestry administer the Chestnut Levy/Charge as detailed: -

Levy/Charge component	Current Levy/Charge rate
EPPR	1.0 cents per kilogram
Marketing	5.0 cents per kilogram
PHA	0.5 cents per kilogram
R&D	4.5 cents per kilogram
TOTAL	11.0 cents per kilogram

PROPOSED WAY FORWARD:

a) Overall Levy/Charge

The current total Chestnut Levy/Charge has been at eleven (11) cents per kilogram for many years. Over that time there has been a reduction in the return on investment due to increased costs and charges as the levy has not kept up with CPI increases.

Given the most recent crop losses due to disease incidents the level of funds available for R&D have shown to be insufficient to build a worthwhile and substantial program.

As a result, the initial component of the overall proposal is to increase the total Levy/Charge by three (3) cents per kilogram, taking it from eleven (11) cents to fourteen (14) cents per kilogram with the additional three (3) cents to be allocated to the R&D Pool.

b) Marketing Levy/Charge

The next component of the overall proposal is to reduce the Chestnut Marketing Levy/Charge from five (5) cents per kilogram to two and a half (2.5) cents per kilogram.

While this is a small amount it is the belief of the CAI Executive Committee that this will be sufficient to maintain an overarching marketing program that will support the new initiatives resulting from improved nut quality resulting from the expanded R&D program.

As Marketing activities are not matched by Commonwealth Government contributions it is felt that programs undertaken by individual growers and marketing companies will complement the smaller industry marketing program. Their direct investment is not subject to management charges by a third party and can be targeted in areas that most effectively generate sales growth.

With the setting of the Chestnut Marketing Levy/Charge at two and a half (2.5) cents, going forward, Chestnuts Australia Inc will work with: -

- 1) Hort Innovation to utilise the current and future available marketing funds in an effective and efficient manner.

Marketing Before

Chestnuts	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing
	2023/2024	2024/2025	2025/2026	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening Balance	61,665	49,127	38,959	30,027	27,197	30,590	34,017	37,480	40,977
Levies from growers	60,183	47,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Other Income	2,171	1,200	779	601	544	612	680	750	820
Total Income	62,354	48,200	55,779	55,601	55,544	55,612	55,680	55,750	55,820
Project funding ¹	58,113	45,000	40,000	0	0	0	0	0	0
Available for Investment	0	0	10,000	45,000	40,000	40,000	40,000	40,000	40,000
Grower Consultation & Advice ²	0	0	0	0	0	0	0	0	0
Service delivery	15,253	11,811	13,123	11,811	10,499	10,499	10,499	10,499	10,499
Total Expenditure	73,366	56,811	63,123	56,811	50,499	50,499	50,499	50,499	50,499
Closing balance	49,127	38,959	30,027	27,197	30,590	34,017	37,480	40,977	44,510
Levy collection costs	1,526	1,557	1,588	1,620	1,652	1,685	1,719	1,753	1,789

Marketing Implementing Scenario 3 from FY26/27

*Available for Investment decreased to \$25 k from FY26/27 to FY29/30 and then \$20 k for FY30/31 and FY31/32

Chestnuts	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing	Marketing
	2023/2024	2024/2025	2025/2026	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening Balance	61,665	49,127	38,959	30,027	26,996	23,872	20,652	17,335	20,229
Levies from growers	60,183	47,000	55,000	29,550	29,550	29,550	29,550	29,550	29,550
Other Income	2,171	1,200	779	601	540	477	413	347	405
Total Income	62,354	48,200	55,779	30,151	30,090	30,027	29,963	29,897	29,955
Project funding ¹	58,113	45,000	40,000	0	0	0	0	0	0
Available for Investment	0	0	10,000	25,000	25,000	25,000	25,000	20,000	20,000
Grower Consultation & Advice ²	0	0	0	0	0	0	0	0	0
Service delivery	15,253	11,811	13,123	6,562	6,562	6,562	6,562	5,249	5,249
Total Expenditure	73,366	56,811	63,123	31,562	31,562	31,562	31,562	25,249	25,249
Closing balance	49,127	38,959	30,027	26,996	23,872	20,652	17,335	20,229	23,145
Levy collection costs	1,526	1,557	1,588	1,620	1,652	1,685	1,719	1,753	1,789

- 2) Industry and individual growers to undertake domestic marketing utilising voluntary contributions and other funds to drive in-store inspiration and encourage shoppers to experience Australian Chestnuts during the season. In addition, the industry will continue to work with key retailers to generate in-store presence.

c) PHA Levy/Charge (Now known as the Biosecurity Activity Levy)

It is proposed that there be no change to the PHA Levy/Charge and that it be retained at a half (0.5) cent per kilogram.

The PHA Levy/Charge covers the PHA membership fee of \$1,600 (exclusive of GST) per annum.

d) EPPRD Levy/Charge (Now known as the Biosecurity Response Levy)

Now that CAI has paid off the Chestnut Blight eradication program cost sharing liability the proposal is to reduce the EPPRD Levy/Charge from one (1) cent per kilogram to zero (0) cents per kilogram.

The one (1) cent is to be transferred to the R&D Levy/Charge pool.

CAI will work with Plant Health Australia (PHA) and DAFF to utilise any reserves, on biosecurity activities, at the point in time the proposed Levy/Charge changes become law.

e) R&D Levy/Charge

The proposal is to increase the Chestnut R&D Levy/Charge from four and a half (4.5) cents to eleven (11) cents.

This will be undertaken through the following: -

LEVY	CURRENT	NEW R&D Pool
Current R&D Levy/Charge	4.5 cents per kilogram	4.5
Transfer EPPRD Levy/Charge	1.0 cents per kilogram	1.0
Transfer part of Marketing Levy/Charge	5.0 cents per kilogram	2.5
Additional new Levy/Charge		3
TOTAL		11 cents

With the matching resources from the Australian Government this would give the Australian Chestnut Industry a substantially increased R&D pool to allow the industry to undertake the required research to manage the current disease pressures.

FORMAL PROPOSAL:

Chestnuts Australia Inc is putting the following Motion to ALL known Australian Chestnut Growers/Levy Payers through a formal Vote/Ballot.

As a Grower/Levy Payer you are invited to consider the information detailed in this discussion paper and vote on the Motion between the 15th of September and the 25th of October 2025.

The Vote/Ballot is being 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.

The **FORMAL PROPOSAL** is that the Chestnut Levy/Charge be changed as follows: -

MOTION: “That the Chestnut Levy/Charge be increased by 3 (three) cents to 14 (fourteen) cents and that the allocation be as per the following.”

Levy/Charge component	Current Levy/Charge rate	Proposed Levy/Charge rate
EPPR (now the Biosecurity Response Levy)	1 cent per kilogram	0.0 cents per kilogram
Marketing	5 cents per kilogram	2.5 cents per kilogram
PHA (now the Biosecurity Activity Levy)	0.5 cents per kilogram	0.5 cents per kilogram
R&D	4.5 cents per kilogram	11.0 cents per kilogram
TOTAL	11.0 cents per kilogram	14.0 cents per kilogram

NEXT STEPS:

- As a Chestnut Grower and Levy Payer, Chestnuts Australia Inc invites you to
 - Consider the material detailed in this document
 - Attend the CAI AGM on the 13th of September 2025 to discuss the proposal and ask any questions and/or seek clarification
 - Vote on the proposal using a ballot paper to be forwarded to you on Monday 15th September 2025.
- The ballot will close at the close of business on Friday 25th October 2025.
- If a majority of levy payers who choose to vote (50% plus one) support the proposal, a submission will be prepared by Chestnuts Australia Inc and submitted to the Minister for Agriculture.
- A final decision by the Minister will be made after an objection period of at least 30 business days after being submitted to government.

- You will be notified of the outcome and, if the proposal is voted to go ahead, of the details of the six-week objection period required after the submission goes to the Minister.
- This proposal will form part of CAI's review of the Chestnut Statutory Levy/Charge program.
- The Minister makes the final decision to agree, or not, to the levy proposal and CAI would be seeking any changes to be implemented on the 1st of July 2025.

Contact us:

If you would like to speak with someone about this proposal, please contact Trevor Ranford, Industry Development/Communications Officer, Chestnuts Australia Inc via

- Phone: 0417 809 172
- Email us at: sahort@bigpond.com
- You might also wish to visit our website at: www.chestnutsaustraliainc.com.au