

**PMAC weekly update 4th to 11th May**

**Covid 19 news**

This weeks’ edition contains information in the following areas New Zealand, Looking forward, Market disruptions positive and negative

* 1. **New Zealand**

**KPMG webinar recorded**

To download a copy of last weeks The ‘now normal’ future: Food and fibre in a world emerging from COVID-19 please click [here](https://communication.kpmg.co.nz/e/2dew2nqbsyovq/3f4f35bf-909b-4f0c-9dda-44fbf2745e18). If you wish to listen to the full webinar it is also available [here](https://communication.kpmg.co.nz/e/dge6luxn0hlhfca/3f4f35bf-909b-4f0c-9dda-44fbf2745e18) should you wish to play it back.

**Coronavirus: Trade Me launches fresh food boxes**

Sales of fresh groceries on Trade Me will help feed hungry Kiwi kids, the head of social enterprise Eat My Lunch says. On Friday, Trade Me announced it was working with local suppliers to sell fresh grocery boxes including organic meat, fruit and vegetables and even baked goods.

Head of Trade Me marketplace Lisa Stewart said selling fresh food boxes was a first for the company and it was hoped more producers would be added. <https://www.stuff.co.nz/business/121373859/coronavirus-trade-me-launches-fresh-food-boxes>

* 1. **Looking forward**

**'Whole new business': Farmers innovate to get food from field to plate**

The crisis has exposed the world’s reliance on international trade and on a vast number of seasonal workers who usually travel from farm to farm, often crossing borders, to help gather in produce as it ripens.

But many farms and firms are adapting quickly by selling online direct to consumers and employing the local new unemployed- sometimes with Government support – e.g. in Spain, the European Union’s biggest fruit and vegetable exporter, has responded by allowing the unemployed to take farm jobs while keeping welfare payments, and has extended work permits for those migrants already in the country.

U.S. President Donald Trump has exempted such migrants from a temporary curb on immigration during the crisis. <https://www.reuters.com/article/us-health-coronavirus-food-solutions/whole-new-business-farmers-innovate-to-get-food-from-field-to-plate-idUSKBN22J1IB?il=0>

**Building resilience into the vegetable supply chain using container farming**

Canada’s food supply chain is robust and reliable - even in times of the COVID-19 crisis - but there is an opportunity to become more self-sufficient. Container farming can provide your food supply with some autonomy and reduced reliance on external food supply chains. Empty shelves at the outbreak of the pandemic were a shock to many grocery store retailers.

Each community has different needs, but one possible solution is container farming. With container farms, communities and grocery stores can grow a variety of produce year-round, no matter the weather, and even customize what’s being grown to match the demand of the community.

[Full article available here](https://www.hortidaily.com/article/9212263/building-resilience-into-the-vegetable-supply-chain-using-container-farming/)

**A balance of consistency and flexibility will be necessary to reopen the economy**

This week’s PMA virtual town hall focused on the reopening of the economy: what factors should be taken into consideration before, during, and after reopening? The two most important components that continued to come up were the health and safety of the community, and the need for flexibility – both in the government’s guidelines ( to allow businesses to be flexible in how they apply these regulations) , and in businesses. An important theme throughout the meeting is that there will be a ‘new normal,’

The meeting agreed it is necessary for all businesses to have a good plan and make it work . The plan must take into account. First is the intensity of the contact within the business. Second is the number of contacts that may be involved. Finally, the third is what physical or operational changes could be implemented to reduce the risk involved. <https://www.hortidaily.com/article/9215202/a-balance-of-consistency-and-flexibility-will-be-necessary-to-reopen-the-economy/>

**Will COVID-19 bring about a new global freight strategy?**
COVID-19 has generated unprecedented disruption in the global logistics and freight industries, severely impacting operations and delivery activities. However, could these current challenges ultimately pave the way for a more streamlined, efficient and environmentally-friendly future?

Beyond economic stimulation, the need for a more resilient supply chain to mitigate potential disruptions from future similar events could see producers and distributors looking to local manufacturers rather than international suppliers and work towards a more joined up operation so that logistics are managed to optimise freight movements. [Click here to read the full article.](https://seanews.co.uk/features/will-covid-19-catalyse-the-advent-of-a-new-global-freight-strategy/)

* 1. **Market disruptions negative and positive**

**Corona crisis disrupts potato processing industry**

The Dutch potato processing industry is virtually at a standstill due to the out-of-home market falling away. According to the Association for the potato processing industry (VAVI)it is looking for alternative destinations for a huge potato surplus. Belgian processors are continuing as best possible. They are trying to extend their current season, and honor contracted volumes.

The VAVI secretary expects about a million tons of french-fry suited potatoes to go unprocessed. “How much of a surplus will depend on developments in the sales markets. But, there will undoubtedly be a surplus this year.” He says that a million tons are equal to 25,000 truckloads of potatoes. That is a significant volume for which the sector is seeking alternative destinations." Some my be used ads industrial potatoes but the returns are likely to be low. It is estimated the effect will be a revenue loss of €500 million, at the very least, for the Dutch processing industry.

The corona crisis is also affecting the Belgian potato processing industry. However, it seems the situation differs from that in the Netherlands. That is due to the country’s traditionally strong focus on the retail sector. The potato processing industry is proceeding as best it can there. But the lockdown regulations are making it difficult for an increasing number of companies. Belpotato.be, the Belgian branch organization’s estimate of potatoes that cannot be processed, reaches a maximum of 750,000 tons valued at about €125 million. “Companies that supply retailers have a normal to increased demand. People are cooking at home more, so they buy frozen potato products too.”

He notes reefer container availability for both Asia and South America is the biggest issue. That means there are fewer containers available for return trips with, for example, frozen french fries. “The rumors that maritime transport would become pricier did not materialize .”

 https://www.freshplaza.com/article/9214021/corona-crisis-disrupts-potato-processing-industry/

**Dutch government to allocate € 50 million to help potato growers**
The [government of the Netherlands will provide € 650 million to save farmers](https://en.potatosystem.ru/pravitelstvo-niderlandov-vydelit/) from complete bankruptcy and to pay off losses caused by the coronavirus pandemic. Of this amount, about € 50 million will be used to help potato growers. The approach used is that the first 30% of the loss of trade will be borne by the entrepreneurs themselves, and the remaining 70% of the damage will be “substantially compensated” by the state.

**Maersk app sees record use amid COVID-19**
Driven by Covid-19 demand for online business transactions has i[ncreased the Maersk shipments app usage](https://www.maersk.com/news/articles/2020/05/06/maersk-app-sees-record-use-amid-covid-19) by nearly 90% in 2020.”In the first five weeks of 2020, the app averaged 70,000 business transactions weekly. By mid-April, it had grown to 130,000 business transactions weekly, reflecting an 86% increase in this online remote usage tool.”

[Food prices have crept up across Europe during the coronavirus lockdown](https://uk.news.yahoo.com/fresh-food-prices-spike-europe-153415985.html) as food growers struggle with supply chains disrupted by measures against COVID-19. For example Comparing the first week of March with the first week May. Bananas are up 12 percent and apples 9 percent. Vegetables, such as lettuce, turnip and tomatoes, have increased in price by 10 percent on average. The reasons for price increases are numerous. Transport costs have increased and consumers have shown a preference for packaged fruit and vegetables, over fears about transmission of the virus, pushing up prices with the extra packaging costs. An increase in labour costs is partly responsible, notably for seasonal workers, as well as continued difficulties in importing produce from abroad because of coronavirus. Overall, prices have increased by an average of nine percent across the board,

Turkey’s [agricultural exports rose during the January-April period,](https://www.dailysabah.com/business/economy/turkeys-agricultural-exports-rise-in-q1-despite-covid-19-pandemic) Agriculture-based exports increased by 2.9% in the first quarter of the year, according to an Anadolu Agency (AA) report while industrial exports declined 16.2 %. Fresh fruit and vegetable exports followed the rising trend with a 21.6% increase.

**Canadian sectors hurting**

As Canadas onion market continues to collapse, [area producers are turning to the federal government to survive.](https://www.malheurenterprise.com/posts/7117/onion-producers-seek-federal-help-as-malheur-county-industry-tips-into-free-fall) The government has a relief plan – the Coronavirus Food Assistance Program – that will furnish $16 billion in help to farmers. Of that, $2.1 billion is to help producers cover losses for specialty crops such as onions.

COVID-19 has also puts the brakes on potato acreage as McCain and Simplot scale down in Manitoba
[Manitoba’s potato acreage will take a hit this year in the wake of the COVID-19 pandemic and plummeting demand](https://www.potatonewstoday.com/2020/05/07/covid-19-puts-the-brakes-on-potato-acres-as-mccain-and-simplot-scale-down-in-canadas-manitoba-province/). According to multiple industry sources, McCain Foods has dropped 16 per cent of acres from its contracts with Canada’s Manitoba farmers, while Simplot has also made smaller cuts from its agreements.

**Agriculture sector Philippines shrank 1.2% in Q1** [Lockdowns imposed to control the spread of the coronavirus pandemic have adversely affected the country’s agricultural growth story](https://business.inquirer.net/296649/agriculture-sector-shrank-1-2-in-1st-quarter) in the first quarter of the year, casting uncertainty on the administration’s goal of an annual 2-percent growth for the sector.

**Philippines E-commerce for agri products ‘new normal, positive’ effect of pandemic**
[E-commerce in agricultural marketing and trading has become the “new normal” and one “positive” effect of the pandemic](https://newsinfo.inquirer.net/1271818/fwd-da-e-commerce-new-normal-positive-effect-of-covid-19-pandemic), the Department of Agriculture (DA). The agency recently launched e-Kadiwa, a website allowing members of the private sector to sell their product.

**India Covid leads to dip in perishables exports from Bengaluru airport** [exports of perishables cargo from the Kempegowda International Airport falling by nearly 50 per cent](https://www.outlookindia.com/newsscroll/covid-leads-to-dip-in-export-of-perishables-from-bengaluru-airport/1826264) in April. The Karnataka government had allowed the movement of essential products and services, including fruits and vegetables amid the lockdown. In April, the airport processed several varieties of vegetables and fruits to be air lifted by 10 airlines, including two Indian ones, to 28 international destinations.

**India** [The COVID-19 lockdown has put hundreds of Kashmir apple growers in a difficult position.](https://www.thecitizen.in/index.php/en/NewsDetail/index/9/18703/Apple-Farmers-in-Kashmir-Hit-by-COVID-19-Lockdown) They don't know how to sell their stored apples, stuck in cold chambers now for more than 6 months.

**India**  Lack of workers has Indian mango traders facing a dilemma an [acute shortage of workforce in the orchards, market yards and trading centres](https://www.thehindu.com/news/national/andhra-pradesh/lack-of-migrant-workers-puts-mango-traders-in-a-dilemma/article31521650.ece). The nationwide lockdown since March 23 has blocked the entry of migrant workers from the north, forcing the stakeholders to depend on the local workers at considerably higher wages.

**€10 million aid package approved for Greek floriculture sector**

The European Commission has approved a €10 million Greek State aid scheme to support the floriculture primary production sector in the context of the coronavirus outbreak. It will help these farmers to cover their immediate liquidity needs and continue their activities during these challenging times. The support will not exceed €100,000 per company. Aid under the scheme can be granted until 31 December 2020. The TFEU and the conditions are set out in the [Temporary Framework](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_496).

<https://www.floraldaily.com/article/9215236/eu10-million-aid-package-approved-for-greek-floriculture-sector/>

**Royal FloraHolland focuses on crisis recovery**

On May 6, the total turnover (clock and direct) at Royal FloraHolland was 11.1% less compared to the same day last year (Wednesday 8th May 2019) and clock turnover amounted to 19.4% less compared to the same day last year.

Even though the corona crisis isn't over yet, the focus is shifting. We have to adapt to the 1.5-metre society. A society in which we always keep an appropriate distance from each other, both in business and in private life. This means that the safety measures that have now been taken at Royal FloraHolland will be maintained for the foreseeable future. Royal FloraHolland is now going to focus more on recovery, during and after the crisis. The Crisis Management Team (CMT) has been transformed into the Corona Recovery Team. https://www.floraldaily.com/article/9214782/royal-floraholland-focuses-on-crisis-recovery/

**Corona to cut Kenya's farm exports by 1.4 billion USD**

<https://www.floraldaily.com/article/9215161/corona-to-cut-kenya-s-farm-exports-by-1-4-billion-usd/>