

**PMAC weekly update 22nd to 29th August**

**New Zealand Industry and Community news**

This weeks’ edition contains information on:

Ambassador to Ireland appointed, New Pacific programmes welcome news for regional labour mobility, Nadines comment on an intense time for all, "ASOEX are shocked by the meeting Zespri requested", High Court rules SunGold kiwifruit licences can be included in property RV, NZ kiwi growers to appeal SunGold licenses being included in property RV, Kiwifruit quality concerns could become a huge problem, Scales Corporation Horticulture division encountered significant headwinds, Rockit Global wins exporter award, Ongoing seasonal labour shortages have left Pukekohe growers struggling to pick their crops, New mandarin variety arrives for T&G Fresh, Te Mata Mushrooms suspends production after 55 years, Nelson farmers prepare for cleanup and count the cost of flood damage



1. **New Zealand News**



* 1. [Ambassador to Ireland appointed](https://www.beehive.govt.nz/release/ambassador-ireland-appointed)

Foreign Affairs Minister Nanaia Mahuta last week announced the appointment of outgoing Speaker of Parliament Trevor Mallard as the next Ambassador to Ireland. He will be the second resident Ambassador to Ireland since the opening of our Embassy in Dublin in 2018. Mr Mallard is expected to take up his role in January 2023.

* 1. [New Pacific programmes welcome news for regional labour mobility](https://www.beehive.govt.nz/release/new-pacific-programmes-welcome-news-regional-labour-mobility)

 Immigration Minister Michael Wood last week announced a suite of new measures to relieve workplace shortages in key sectors, including that the new interim sector agreements for the meat and seafood processing sectors would make way for Pacific programmes in 2024. Work will now be undertaken to determine the design and policy settings of the new Pacific programmes.

Other sectors may also be considered for Pacific programmes in the future. “Countries from across the Pacific have been clear with me that they highly value the current RSE scheme, and see labour mobility as a key avenue for promoting economic development, both in their nations and the region as a whole,” Phil Twyford said. “This is reflected in the PACER Plus agreement - signed by 11 Pacific nations including New Zealand - which includes a labour mobility arrangement, of which a key element is enhancing existing labour mobility schemes and exploring new opportunities in this area

** Commentary**

* 1. [Nadines comment on an intense time for all](https://www.hortnz.co.nz/news-events-and-media/nadines-update/intense-time-for-all/)

August is proving to be another intense month for our industry with *sevre weather affecting many horticulturalists* HortNZ and product groups will continue to monitor the situation and offer support. [The Government is also offering assistance.](https://www.beehive.govt.nz/release/support-storm-stricken-farmers-top-south-and-far-north)

Many of you will have watched the Sunday programme on the RSE scheme or heard or read other negative media about the scheme. We are focused on correcting this negative perception and working with the Government to improve the scheme they administer and manage.  The Government is under immense pressure because of the labour shortage across New Zealand and deepening social issues. That is perhaps why on the one hand, the Government is relaxing immigration settings and [publicly offering support for the RSE scheme](https://www.beehive.govt.nz/release/new-pacific-programmes-welcome-news-regional-labour-mobility) while on the other hand, the Government is reviewing the scheme and involving unions.  As an industry, we will continue to engage with the Government, to give growers as much certainty as possible and to ensure that the scheme continues to deliver for the Pacific nations.

As an industry, we need to be united and clearly articulate what we need as well as the behaviours we expect of each other as employers in the scheme. I have been really disappointed to see how quickly people look to apportion blame. If there was ever a time that we need to work together and take responsibility, it is now. There is only one RSE scheme. It is challenging enough when the media and misinformed critics lump together all labour programmes (including the Australian Pacific Australia Labour Mobility programme - PALM) to support their points of view when the RSE scheme is quite different.

To break up, become disjointed or start to finger point would do nothing to maintain our social licence. The significant majority of you do a good to excellent job within the RSE scheme. If you are concerned about how others may be performing, let your product groups know and we will assist. The RSE programme is yours collectively to protect.

I know that growers are under immense pressure and it is coming from all quarters, least of all the weather. But I firmly believe we must stick together, continue to promote what’s great and important about our industry and deal firmly with those – no matter how small in number – that threaten our social licence, at a time when we need it the most.



* 1. ["ASOEX are shocked by the meeting Zespri requested"](https://www.freshplaza.com/article/9452625/we-are-shocked-by-the-meeting-zespri-requested/)

On the 5th August in Santiago Zespri, met with the Chilean kiwi industry, represented by the Association of Fruit Exporters of Chile (Asoex), the Federation of Fruit Producers (Fedefruta), Chile's Kiwi Committee and some of its associates. "After listening and taking into consideration Zespri's generic and vague statements, the representatives of Asoex and Fedefruta stressed, once again, that they are not open to any dialogue or cooperation if the New Zealand company isn't willing to modify its statutes and to participate freely and competitively in the trade of its kiwis in the world."

“We expected they would be willing to look for pragmatic solutions to the commercial issues that kiwi experiences worldwide. Unfortunately, the representatives of Zespri only indicated they were willing to seek collaboration agreements with Chilean producers and exporters,” stated Ronald Bown Fernandez, the president of Chile's Fruit Exporters Association.

"It's absolutely impossible for any Chilean party to reach trade agreements or agreements of any other type with Zespri, as that would mean endorsing the advantages that New Zealand has and that favor it in the marketing of kiwi globally; a situation that has significantly weakened the ability of national producers and exporters to compete," ASOEX stated. "On the other hand, it would be endorsing anti-free trade conduct that has been sanctioned by authorities in different markets, such as China, South Korea, and Japan. These are practices that, once again, are currently being investigated,” Bown stressed.

"According to the Chilean sector, it seemed like Zespri was lobbying to improve its image, both in their country and in international markets, especially now that the New Zealand company is having problems with EU Italian parliamentarians that demand reciprocity for the marketing of their kiwis in New Zealand, according to the Free Trade Agreement between the EU and New Zealand. The Chilean sector is also interested and demands reciprocity from Zespri," stressed ASOEX.

* 1. [High Court rules SunGold kiwifruit licences can be included in property RV](https://www.freshplaza.com/article/9452387/nz-high-court-rules-sungold-kiwifruit-licences-can-be-included-in-property-rv/)

Last year, kiwifruit grower Bushmere Trust took the Gisborne District Council to the Land Valuation Tribunal after the council changed its ratings to include the value of the licenses in the property's capital value. That took the nearly six hectare property's rateable value from $2.8 million to $4.1 million. The Tribunal ruled the capital value was only $2.8 million, and the kiwifruit license was "not an improvement to the land or for the benefit of the land".

The High Court heard when such properties were bought and sold, the price paid reflected the value of the vines and licenses which almost always transferred with the properties. This is subject to Zespri's approval to transfer the license which has never been denied. The Court said those licenses effectively ran with the land, and enhanced its value. It said the capital value - as a proxy for fair market value - included the license. The Court heard the SunGold licenses at September 2020 were worth around $800-900,000 per hectare, compared to green kiwifruit at $300-450,000 per hectare, and $30-50,000 per hectare for crops such as oranges, avocados and feijoa.

* 1. [NZ kiwi growers to appeal SunGold licenses being included in property RV](https://www.freshplaza.com/article/9453687/nz-kiwi-growers-to-appeal-sungold-licenses-being-included-in-property-rv/)

Reacting to the High courts decision last week NZKGI, which represents growers, said it was disappointed with the High Court's judgement: "NZKGI has advocated strongly on behalf of kiwifruit growers and recognises the importance of these proceedings as they are the first in New Zealand and thus precedent-setting," chief executive Colin Bond said. "Increasing industry costs can make the kiwifruit industry a less attractive investment and reduce growers spend in local communities, ultimately impacting upon economies across New Zealand. Gisborne growers return over $80m to the Gisborne economy and should be supported by their council. In 2022, growers paid a median of $921,150 (incl. GST) per hectare for SunGold licence.” "This result is not just an issue for kiwifruit growers in the Gisborne district as the decision could be wide-ranging with other councils across New Zealand indicating that they will follow suit.”

* 1. [Kiwifruit quality concerns could become a huge problem](https://www.freshplaza.com/article/9453235/kiwifruit-quality-concerns-could-become-a-huge-problem/)

Industry experts claim that ongoing losses because of fruit quality issues might become a $500 million problem for the kiwifruit industry if a solution is not found. Zespri chairman Bruce Cameron said in an update to the industry that fruit loss and quality claims were well above historical averages, and he expected it to continue to be a problem in future. The impact on returns were significant this season, with a predicted loss of $2.80 per tray for SunGold Kiwifruit, he added. This was against a per tray loss of $1.68 last season (a tray held 30 fruit).The June forecast per hectare return of between $141,000 and $161,000, was revised to $138,495 in August. Beyond the impact on grower returns, these quality challenges were putting significant pressure on the company’s reputation for supplying consistent fruit quality. An industry-wide response was needed to solve the problem, Cameron said.

* 1. [Scales Corporation Horticulture division encountered significant headwinds](https://www.freshplaza.com/article/9452912/scales-corporation-horticulture-division-encountered-significant-headwinds/)

The Scales Corporation Horticulture division encountered significant headwinds. Mr Apple’s total own-grown export volumes are forecast to be 3.3 million TCEs (2021: 3.6 million TCEs).

Mr Borland noted: “This has been a very challenging season for Horticulture. There has been considerable disruption in a number of aspects of the business, including in weather, labour, logistics and international markets. Despite the outstanding job that Mr Apple’s team has done, the combined effect of these disruptions has negatively impacted the 1H22 result. ”[Click here to read the full report.](https://agfstorage.blob.core.windows.net/misc/FP_com/2022/08/24/Asi.pdf)

* 1. [Rockit Global wins exporter award](https://www.fruitnet.com/asiafruit/rockit-global-wins-exporter-award/247036.article)

Rockit Global won two categories last week in the Hawke’s Bay Export Awards.

The team behind the snack-sized Rockit apple was presented with the Best Established Business award and the coveted overall award for Exporter of the Year.

Rockit apples are sold in 30 countries worldwide. China the largest export market for the offering (by volume and value).

Rockit is also gaining traction cross Singapore, Malaysia and Vietnam, while the branded variety is gathering a strong following in the Middle East too. In addition to the two Hawke’s Bay Export Awards, Rockit Global won an Axis Award and the Best Large Business at the China Business Awards earlier in 2022.

* 1. [Ongoing seasonal labour shortages have left Pukekohe growers struggling to pick their crops](https://hortnz.us14.list-manage.com/track/click?u=aecda7aaa04d433b3c1267c8e&id=d95e9d0b04&e=2b699d0a67)

Veggie growers in the Pukekohe region say their fields are going unpicked and going to waste - not because of the weather, but simply because there aren't enough seasonal workers. *This article provides detail on several growers who are suffering substantial losses* Vegetable growers say people need to brace for prices to rise further.

In a statement Immigration Minister Michael Wood explained the cap on seasonal workers has grown from 5000 in 2007 to 16,000 this year and is now the highest it's ever been and the whole system's under review.

* 1. [New mandarin variety arrives for T&G Fresh](https://www.freshplaza.com/article/9452358/new-mandarin-variety-arrives-for-t-g-fresh/)

T&G Fresh this week welcomes the newest addition to its citrus range – the Afourer mandarin which will opens up a new seasonal window from September to December. T&G Fresh invested in Afourer mandarin production in 2018, by converting 20 hectares of Afourer mandarin trees in Kerikeri, which is the only commercial Afourer crop in Northland. New Zealand consumers will be familiar with the variety, as it is grown in small volumes in Gisborne and largely imported from Australia.

* 1. [Te Mata Mushrooms suspends production after 55 years](https://www.freshplaza.com/article/9453694/te-mata-mushrooms-suspends-production-after-55-years/)

Hawke’s Bay’s Te Mata Mushrooms has announced it is suspending production after 55 years. It claims the plant is no longer fit for purpose and there are ‘pressures caused by urban encroachment’. Staff numbers will reduce from 110 to a skeleton staff of 10-15 over the next 4-6 weeks. “It’s very disappointing that we need to close the facility. Despite our best efforts to resolve issues with a very outdated facility that puts our staff as well as ongoing revenue at risk, the best decision is to suspend production.”

* 1. [Nelson farmers prepare for cleanup and count the cost of flood damage](https://www.freshplaza.com/article/9453229/nelson-farmers-prepare-for-cleanup-and-count-the-cost-of-flood-damage/)

Not one farm sector is untouched by Nelson floods, with beekeepers, vegetable growers, dairy farmers and orchardists saying the real extent of damage will be known in a few weeks.