

UPDATE: 11 January 2024

Happy New Year.

In this week’s update, there are a growing numbers of reports of the impact of the maritime disruptions caused by the attacks on shipping in the Red Sea, on exports and costs to consumers. Closer to home, the Australian Government highlights the value of the Indian trade deal for exporters and the NZIBF sets out it’s view of trade priorities in a briefing paper for the incoming NZ Government. You’ll find links to these as well as our regular items of regulatory notifications, consultations, national and international news, and upcoming events below.

Ngā mihi

Michelle Glogau | info@pmac.co.nz | 274 577531

[GOVERNMENT AGENCY NEWS](#_GOVERNMENT_AGENCY_NEWS): [**ICPR changes**](#_ICPR_changes)**;** [**Consultations**](#_Consultations_3)[Proposals to Amend the New Zealand (Maximum Residue Levels for Agricultural Compounds) Food Notice;](#_Proposals_to_Amend_1) [Proposed amendments to the Organic Export Requirements: Organic Production Rules](#_Proposed_amendments_to)

[NEW ZEALAND NEWS:](#_NEW_ZEALAND_NEWS) [**Industry News**](#_ICPR_changes_1) [Higher shipping costs: Fears Red Sea attacks will soon hit Kiwis in the pocket;](#_Higher_shipping_costs:) [NZIBF releases Brief to the Incoming Minister of Trade;](#_NZIBF_releases_Brief) [New report gives Zespri tick for sector value](#_New_report_gives) [**Reports:**](#_Reports_&_Insights_1) [Supply Chain Outlook under the new National led Government](#_Supply_Chain_Outlook) [**Upcoming events & webinars**](#_Upcoming_events_and)

[INTERNATIONAL NEWS:](#_Market_Reports) [**Gain Reports**;](#_GAIN_reports:)  [**In the news**](#_In_The_News:_3) [India trade deal a win for Australian exporters, cost of living relief and jobs;](#_India_trade_deal) [USDA forecasts increase in world apple production;](#_USDA_forecasts_increase) [South Africa launches new stonefruit marketing campaign in UK;](#_South_Africa_launches) [Chile forecasts big jump in stonefruit exports;](#_Chile_forecasts_big) [Denmark ranks first for organic purchases in the EU;](#_Denmark_ranks_first) [Supermarket prices rise underway as Red Sea shipping crisis might last for month;](#_Supermarket_prices_rise) [Fruit trade faces disruption from suspension of Red Sea routes](#_Fruit_trade_faces)

|  |
| --- |
| GOVERNMENT AGENCY NEWS |

## ICPR changes & other updates

The following ICPRs have been updated in a number of sections since the last newsletter:

* Korea: [ICPR Korea](https://www.mpi.govt.nz/dmsdocument/659-Korea)

If you need any further clarification, contact your Independent Verification Agency in the first instance.

## Consultations

#### Proposals to Amend the New Zealand (Maximum Residue Levels for Agricultural Compounds) Food Notice

New Zealand Food Safety is inviting public comment on changes proposed to the Food Notice: Maximum Residue Levels for Agricultural Compounds. The proposed changes are: One amended entry for maximum residue levels in Schedule 1; One Schedule 1 entry proposed for removal; and 3 new entries for veterinary medicines for which no maximum residue level applies in Schedule 3.

More information on the proposal and how to make a submission are on the Ministry for Primary Industries [website](https://www.mpi.govt.nz/consultations/proposals-to-amend-the-new-zealand-maximum-residue-levels-for-agricultural-compounds-food-notice-9/?utm_source=notification-email). Submissions close at 5pm on 13 February 2024.

#### Proposed amendments to the Organic Export Requirements: Organic Production Rules

New Zealand Food Safety is seeking feedback on proposed changes to the Organic Export Requirement: Organic Production Rules (OER: OPR) which forms part of MPI's Official Organic Assurance Programme.

In July 2023, New Zealand Food Safety invited applications to proposed changes to the generic inputs that could be used by organic producers under the Official Organic Assurance Programme. One application to amend the generic inputs was received and assessed by a panel of technical experts. The panel recommended that New Zealand Food Safety consult on the inclusion of lignosulphonate for use in organic production. Feedback is also invited for additional amendments to the OER: OPR including to the definitions; requirements for registration of organic operators; and provision of official organic assurances (organic export certificates).

More information on the proposed changes and how to make a submission are on the Ministry for Primary Industries [website](https://www.mpi.govt.nz/consultations/proposed-amendments-to-the-organic-export-requirements-organic-production-rules/?utm_source=notification-email). Submissions close at 5pm on 2 February 2024 .

|  |
| --- |
| NEW ZEALAND NEWS |

## Industry news

#### Higher shipping costs: Fears Red Sea attacks will soon hit Kiwis in the pocket

New Zealand consumers could soon pay the price for shipping networks being disrupted by attacks in the Red Sea. In recent weeks there have been several attacks by Iran-backed Houthi rebels on container ships travelling through the busy cargo route. Nearly 15 percent of global seaborne trade passes through the Red Sea, which leads to the Suez Canal, linking the Indian Ocean with the Mediterranean.

Massey University supply chain lecturer Carel Bezuidenhout said the conflict meant that passing through the Red Sea was pushing up insurance costs for shipping companies. "Most of them are actually avoiding that and taking the longer route around the Cape of Good Hope down at the bottom end of Africa. That adds substantial distance and delays to the supply chains, so in time we may start seeing a slower and non-responsive supply chain." Bezuidenhout said all industries could be impacted if the conflict continues, but some sectors - like the kiwifruit industry - might be hit particularly hard

However, a Zespri spokesperson said, via a statement: "Our kiwifruit is shipped to Europe using the Panama Canal and isn't routed through the Red Sea. Each season we work closely with our longstanding shipping partners to deliver our fruit using a mix of charter and container vessels. "We will continue to monitor the global shipping environment closely including the potential impact on other routes as we prepare for our first fruit to depart for Europe in mid-March." [Full article here](https://www.rnz.co.nz/news/national/506213/higher-shipping-costs-fears-red-sea-attacks-will-soon-hit-kiwis-in-the-pocket)

#### NZIBF releases Brief to the Incoming Minister of Trade

The New Zealand International Business Forum (NZIBF) recently published its briefing paper to the incoming Trade Minister, Hon Todd McClay. It sets out the collective views of the New Zealand International Business Forum (NZIBF) on the purpose and future of trade policy. It reflects discussion with political parties prior to the 2023 general election. The paper sets out the NZIBF’s view of what should be the incoming Government’s trade priorities and suggests actions the Government could take. [Full paper here.](https://www.tradeworks.org.nz/nzibf-releases-brief-to-the-incoming-minister-of-trade/)

#### New report gives Zespri tick for sector value

The single point of entry model for kiwifruit through Zespri appears to have broken from economic convention, based on a recent report assessing the marketer’s effectiveness.

New Zealand Kiwifruit Growers (NZKGI) commissioned economic analysts BERL to assess Zespri’s success on behalf of growers, eight years after growers overwhelmingly voted in favour of retaining the single point of entry (SPE) marketer. The report authors note that typically a monopsony, or single desk buyer, can tend to be inefficient in several areas. That includes having less flexibility, lower levels of innovation and being difficult to assess for their true cost effectiveness in the absence of any purchasing competition. But the report on Zespri says the marketer has broken the mould on single desk outcomes, delivering a strong international brand that has drawn in significant income for NZ kiwifruit growers and post-harvest processors.

The report compares kiwifruit’s gain in value as a crop over the years to the less-regulated apple industry. Between 2015 and 2019, apples’ orchard gate returns increased from $43,600 per hectare to $49,000 per hectare. Kiwifruit outpaced apples by 64% over the same period, enjoying an increase from $60,800 per hectare to $107,100 per hectare, peaking at $124,000 a hectare in 2021-22. This was also reflected in orchard value, with kiwifruit orchards worth $928,700 per hectare against $275,300 per hectare for apples. [Full article here](https://www.farmersweekly.co.nz/news/new-report-gives-zespri-tick-for-sector-value/)

## Reports & Insights

#### Supply Chain Outlook under the new National led Government

Massey University has released the findings from their recent review concerning the influences of the new government policies on NZ supply chains. The nationwide review encompassing 96 supply chain experts in New Zealand provides an optimistic outlook for the next three to ten years under the current government's policy framework. Over 80% anticipate improved supply chain efficiencies. However, the study highlights significant concerns, including immediate threats such as cyberattacks and escalating costs, as well as long-term anxieties related to geopolitical volatility and potential infrastructure limitations, especially at ports. The vulnerability of the New Zealand supply chain to global economic fluctuations is underscored, emphasising the critical need to address the ongoing skills shortage in the logistics sector. Despite the immediate positivity, reservations exist regarding the long-term impact of the current policy landscape, with practitioners expressing worry about political distractions and disruptions. [Full report here](https://sites.massey.ac.nz/scran/)

#### Upcoming events and webinars:

* IFPA – A-NZ Food Safety Trends - 2024 Edition Webinar, 1st Feb 2024. Free. [Full details here](https://www.eventbrite.com.au/e/food-safety-trends-2024-edition-tickets-778019305687?aff=odeimcmailchimp&mc_eid=ba99fc8413&mc_cid=3240ff07c2)
* Hort Connections, 3-5 June 2024, Melbourne Convention Centre, Australia [Full details here](https://hortconnections.com.au/)

|  |
| --- |
| INTERNATIONAL NEWS |

## GAIN reports:

Gain reports are from the “Global Agricultural Information Network” and are produced by the USDA. They are designed to provide timely information on the economy, products and issues in foreign countries that are likely to have an impact on United States agricultural production and trade. The information in them is written for USA exporters but the majority is equally relevant to New Zealand. For import regulations for a particular market, New Zealand exporters should first check the countries ICPR on MPI’s web site.

Exporter Guides: [China](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Shanghai%20ATO_China%20-%20People%27s%20Republic%20of_CH2023-0194), [Hong Kong](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Hong%20Kong_Hong%20Kong_HK2023-0043), [India](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_New%20Delhi_India_IN2023-0094), [Indonesia](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Jakarta_Indonesia_ID2023-0036), [Korea](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Seoul%20ATO_Korea%20-%20Republic%20of_KS2023-0025), [Philippines](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Manila_Philippines_RP2023-0074), [Taiwan](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Taipei%20ATO_Taiwan_TW2023-0060), [Thailand](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Bangkok_Thailand_TH2023-0076), [Malaysia](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Kuala%20Lumpur_Malaysia_MY2023-0013), [Singapore](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Singapore_Singapore_SN2023-0008), [United Kingdom](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_London_United%20Kingdom_UK2023-0028), [France](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Paris_France_FR2023-0006), [Germany](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Berlin_Germany_GM2023-0016), [Italy](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Rome_Italy_IT2023-0032), [Poland](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Warsaw_Poland_PL2023-0034), [Egypt](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Cairo_Egypt_EG2023-0031). [Israel](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Tel%20Aviv_Israel_IS2023-0016), [Argentina](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Buenos%20Aires_Argentina_AR2023-0022), [Brazil](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Sao%20Paulo%20ATO_Brazil_BR2023-0038), [Chile](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Santiago_Chile_CI2023-0032), [South Africa](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Pretoria_South%20Africa%20-%20Republic%20of_SF2023-0048)

A resource for US exporters that provides an economic and market overview for each country, as well as demographic trends, practical tips and information on local business practices, consumer preferences, and trends.

FAIRS Annual Country Report Annual: [Taiwan](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Annual%20Country%20Report%20Annual_Taipei_Taiwan_TW2023-0054), [Indonesia](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Annual%20Country%20Report%20Annual_Jakarta_Indonesia_ID2023-0031)

These reports provide information on the regulations and procedures for the importation of food and agricultural products from the United States to each country.

FAIRS Export Certificate Report Annual: [Taiwan](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Export%20Certificate%20Report%20Annual_Taipei_Taiwan_TW2023-0055), [Indonesia](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Export%20Certificate%20Report%20Annual_Jakarta_Indonesia_ID2023-0032)

These reports include requirements such as registration, technical information, certificates and other documentation for food and agriculture product exports from the US to each country.

Citrus Annual: [Brazil](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Citrus%20Annual_Brasilia_Brazil_BR2023-0036), [China](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Citrus%20Annual_Guangzhou%20ATO_China%20-%20People%27s%20Republic%20of_CH2023-0192), [Japan](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Citrus%20Annual_Tokyo_Japan_JA2023-0001), [Korea](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Citrus%20Annual_Seoul_Korea%20-%20Republic%20of_KS2023-0024), [Mexico](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Citrus%20Annual_Monterrey%20ATO_Mexico_MX2023-0064)

Apple Update: [Korea](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Korea%27s%20Apple%20Update_Seoul_Korea%20-%20Republic%20of_KS2023-0022)

India's Organic Agriculture Sector Finds Markets At Home and Abroad

FAS New Delhi projects India’s organic agriculture sector to be valued at $2.5 billion for the 2023/24 Marketing Year (MY). According to various sources, the domestic consumption of organic foods is trending upwards as the Indian consumer focus on health and wellness continues. However, challenges within India's organic certification process pose a threat to the credibility of the organic sector and its exports. [Full report here](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=India%27s%20Organic%20Agriculture%20Sector%20Finds%20Markets%20At%20Home%20and%20Abroad_New%20Delhi_India_IN2023-0095)

## In The News:

#### India trade deal a win for Australian exporters, cost of living relief and jobs

According to a recent press release by Australia’s Minister for Trade and Tourism, Don Farrell, in the first year since the Albanese Labor Government brought the Australia-India free trade agreement into force, trade with one of the world's fastest growing economies has surged. Agricultural exports to India are 50 percent higher since the trade agreement came into force on 29 December 2022. This includes massive boosts in products like sheep meat, seafood, broad beans, citrus and almonds.

From 1 January 2024, Australian exports to India will be even more competitive, with more tariff cuts on high quality Australian products such as seafood, cherries, sandalwood and wine. This trade agreement has strengthened Australia’s economic relationship with India, making it even easier to trade goods and services with each other.

Australia and India are now working to conclude their next trade agreement, an ambitious Comprehensive Economic Cooperation Agreement (CECA). This comprehensive trade agreement would allow Australia to go further in areas such as digital trade, and deliver commercially meaningful new market access for exporters. [Full article here](https://www.trademinister.gov.au/minister/don-farrell/media-release/india-trade-deal-win-australian-exporters-cost-living-relief-and-jobs)

#### USDA forecasts increase in world apple production

A new report from the USDA has forecast world apple production will increase slightly in 2023/24, rising 175,000 tonnes to 83.1m tonnes. According to the report, this increase in the 2023/24 marketing year (12 months to 30 June 2024 for the Northern Hemisphere and 31 December 2024 for the Southern Hemisphere) is due to recovering supplies in China, South Africa, and the US offsetting losses in the EU and Turkey.

India production is expected to remain at 2.4m tonnes based on unchanged planted area and favourable weather conditions. Production in Chile is expected to lower slightly to 907,000 tonnes as its “planted area continues its long, downward trend” the report said. Meanwhile, New Zealand production is anticipated to rebound slightly by 20,000 tonnes to 463,000, as orchards continue to recover from Cyclone Gabrielle. In contrast, EU production is expected to decline by 475,000 tonnes to 12.2m due to higher‐than‐normal fruit drop and cold temperatures. However, quality is expected to be good with output in France and Spain improving on recovery from last year’s prolonged high temperatures. [Full article here](https://www.fruitnet.com/usda-forecasts-increase-in-world-apple-production/257803.article) [Full report here](https://apps.fas.usda.gov/psdonline/circulars/fruit.pdf)

#### South Africa launches new stonefruit marketing campaign in UK

The South African stonefruit industry is launching a new UK campaign in January aimed at both increasing visibility of its products to consumers and restoring trade confidence in the country as a primary Southern Hemisphere source. It will feature wide-ranging in-store activities over the coming months to ensure South African stonefruit stands out on shelf, with a particular focus on encouraging purchase of ripe-and-ready ranges in secondary retailers as well as primary ones.

Industry body Hortgro said its overall goal is to “position South Africa as the most sustainable Southern Hemisphere stonefruit supplier, highlight the exceptional taste credentials of the products, and restore trade confidence in South Africa as a reliable, high-quality primary source”. [Full article here](https://www.fruitnet.com/fresh-produce-journal/south-africa-launches-new-stonefruit-marketing-campaign-in-uk/257787.article)

#### Chile forecasts big jump in stonefruit exports

Chilean stonefruit exports are set to exceed 30m cartons in 2023/24 according to the preliminary forecast released by Fruits from Chile. The estimate is based on data provided by 44 producers who together accounted for 84 per cent of stonefruit exports last season.

Japanese plum exports are projected to grow 19 per cent to 13.4m cartons (7kg), while shipments of European plums will reach 8.1m cartons (9kg), an increase of 25 per cent on last season. Nectarine exports are set to grow 22 per cent to 12.5m cartons (8kg).

Fruits from Chile also announced that it is to create a stonefruit committee to maximise export opportunities and drive the move towards new varieties with better quality and greater consistency. [Full article here](https://www.fruitnet.com/eurofruit/chile-forecasts-big-jump-in-stonefruit-exports/257740.article)

#### Denmark ranks first for organic purchases in the EU

Denmark outdoes other European countries including France, Germany and Italy when it comes to buying organic food, a trend highlighted at a recent event in Copenhagen organised by Made in Nature

Among the world’s top ten most organic countries, Denmark ranks first. France and Germany stand in fifth and sixth place respectively. Italy closes the list in tenth. Practically all Danes, 99.7 per cent of them to be precise, buy organic on a daily basis. That’s according to Carsten Ahrenfeldt, head of market at Organic Denmark, the leading association of organic farms, growers and consumers.

According to the Barometer of Agence Bio (the French Agency for the Development and Promotion of Organic Agriculture), despite its many advantages, organic food is suffering. In a highly competitive environment, supermarket chains tend to rationalise their organic assortment in favour of other offers. This decline is also reflected in the results: the percentage of regular organic consumers – those who buy organic food at least once a week in supermarkets – is down by 6 points compared to 2021. [Full article here](https://www.fruitnet.com/eurofruit/denmark-ranks-first-for-organic-purchases-in-the-eu/257727.article)

#### Supermarket prices rise underway as Red Sea shipping crisis might last for months

Currently, delays to global trade are caused by hundreds of ships diverting around Africa to avoid attacks in the Red Sea. These delays are set to inflict months of disruption and imminent price rises on supplies of household items and foodstuffs.

According to new figures, no less than 350 ships – more than half of the total that would normally travel through the Red Sea and the Suez Canal – are now re-routing around the Cape of Good Hope, adding up to 10 days and £1.6 mln in extra costs to scheduled voyages between Asia and Europe. Fruit, meats, seafood, grains, wine, tea, coffee, and much more will be affected as a result of the disrupted traffic. [Full article here](https://www.freshplaza.com/oceania/article/9589217/supermarket-prices-rise-underway-as-red-sea-shipping-crisis-might-last-for-months/?utm_medium=email)

#### Fruit trade faces disruption from suspension of Red Sea routes

A decision by the main container lines to suspend sailings along the Red Sea route is disrupting key fruit trades. CMA CGM, Hapag-Lloyd, MSC and Maersk are among the shipping companies that have decided to divert ships to the Cape of Good Hope due to attacks by Houthi militants on civilian vessels. Egyptian citrus, European apples and Indian grapes are amongst the products caught up in the maritime disruption.

According to analysts from EastFruit, the suspension comes at the height of the Egyptian orange harvest and has led to a serious crisis for the country’s citrus producers. It is also creating a deficit of oranges for consumers in Asia – one of the most attractive export markets for Egypt. Currently, Egyptian exporters are urgently looking for alternative routes to ship their fruit, and Egyptian growers were forced to suspend harvesting oranges, fearing a collapse in prices.

Apple exports from a number of European will also be disrupted by the shipping diversion. “Ukrainian apple exporters will face problems supplying the markets of the Middle East, which are currently the main importers of Ukrainian fresh apples. Suppliers from Poland, Italy and, of course, Moldova will have similar problems. In these conditions, apple exporters from Iran will have an advantage on the Indian and UAE markets,” produce market expert Fedir Rybalko told EastFruit. Meanwhile, Indian table grape producers gearing up for the start of the export season to Europe are keeping a watchful eye on how the situation develops. There is no doubt that shipping schedules will be affected if the situation persists and freight costs and transit times will go up. [Full article here](https://www.fruitnet.com/eurofruit/fruit-trade-faces-disruption-from-suspension-of-red-sea-routes/257703.article)

**Subscribe/ Unsubscribe** If you no longer wish to receive this email please send an email to info@pmac.co.nz asking to be added/ removed and providing the nominated email address

**Disclaimer** Please note this information has been accessed from emails that have been forwarded to info@pmac.co.nz and are distributed as a regular update. If you intend using this information please sight the original document to ensure you are aware of the context within which any changes have been made and to guard against any transcription changes