

**PMAC weekly update 3rd to 10th September**

1. **Government agencies**: Release of productivity commission report on a low emissions economy; WTO Notifications; Customs -Counting you down to 1 October 2018; Gulf Opportunities Showcase; Videos on doing business in the Gulf; Essential market guides for the Gulf region; India NZ Business Council Summit 2018 – AKL, 28 SEP
2. **New Zealand News:**  New Ambassador to Egypt named; Ratification of Pacific trade deal a step closer; New leadership team for Plant & Food Research; Apple and stonefruit industry members disappointed with revised MPI directions; US facility no longer wants to deal with New Zealand; Cross-appeal filed in Kiwifruit Claim case; Zespri predicting profit growth; Avocado conference shows industry growth; New deals give Kiwi agritech access to deep US and European pockets; Seeka's avocado harvest has started; First company receives medical cannabis license; Waimea Dam project to go ahead; PickMee!'s summer fruit crop in Hawke's Bay; New Zealand fruit exports boost trade in June quarter; Gisborne developing a taste for exotic mushrooms; Roundup debate in New Zealand; Myrtle rust detection programme wound down.
3. **International news:** GAIN reports; Trump threatens to pull US out of World Trade Organization; Trade wars and tariffs are hot topics; The rise of blockchain technology in agriculture; Romaine, blockchain and the future of food safety; How will technology allow us to feed future cities; The transforming power of Vertical Farming; New responses to the way we grow food are a must; Can urban greenhouses support social justice or is it only benefitting the rich?; Brazilian court rules that growers will continue to have access to glyphosate; Taking advantage of opportunities in Canada and Saudi Arabia at Fruit Attraction; Intelligent Sprayer: commercialization approved"; Drones against red spider mites

***Editors Comments***

*A good range of articles this week. Two areas are noticeable in the international section. There are two articles on Blockchain. Both in their own way acknowledge its use in traceability. But between the two articles they identify the need for regulation to assist implementation, simpler systems to make it easier for small business to adopt and a need for businesses to move to digital record keeping if they wish to participate in blockchain.*

*Urban or vertical farming is again in the news. In large urban areas there are high levels of interest in vertical farming but to date urban farmers have found it difficult to make a profit. However in big cities urban farming may satisfy a wider variety of needs than just food production. I personally think interest in this space will continue to grow despite its lack of economics.*

*The New Zealand section again has it’s fair share of articles on court cases involving MPI. But on a more positive note Hikurangi cannabis has been awarded a medical cannabis licence starting a new industry in New Zealand and in the South Island the Waimea Dam has been approved.*

1. **Agency news**



* 1. **Release of productivity commission report on a low emissions economy**

The Government asked the Productivity Commission to identify options for how New Zealand can reduce its domestic greenhouse gas emissions through a transition to a low-emissions economy, while at the same time continuing to grow income and wellbeing. The inquiry investigated the challenges of, and identified opportunities for, reducing New Zealand’s emissions, in the context of an ambition to achieve net-zero emissions by 2050.

The commission has released its report which identifies that numerous changes will be required across the economy – some disruptive, some less obvious. Three particular shifts must happen for New Zealand to achieve its low-emissions goals:

* *We stop burning fossil fuels and switch to using electricity and other low-emission energy sources*. This means a rapid and comprehensive switch of the light vehicle fleet to electric vehicles and other very low-emissions vehicles, and a switch away from fossil fuels in providing process heat for industry;
* *We undertake substantial levels of afforestation*to offset New Zealand’s remaining emissions. This will require sustained rates of planting over the next 30 years, potentially approaching the highest annual rate ever recorded in New Zealand; and
* *We make changes to the structure and methods of agricultural production.* This will include diversification of land use towards more horticulture and cropping, and greater adoption of low-emissions practices on farms.

The Productivity Commission’s final report makes 173 findings and 78 recommendations to Government; and read the report and summary [documents here.](https://www.productivity.govt.nz/inquiry-content/3254?stage=4)

* 1. **WTO Notifications**

Please find attached the most recent WTO notifications from countries that are considering changes to their plant import requirements for specific products. If you have any concerns about the notifications being presented please contact Plant.exports@mpi.govt.nz so that they can potentially make a submission to the notifying country. Changes notified over the last week include:

* Canada , PhiilipnesMRL’s
* Korea specifications for food additives

The embedded files for the last week (which has links through to the original notifications)is available here 

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| * 1. **Counting you down to 1 October 2018**

There's less than four weeks to go until the new Customs Act comes into force. If you need help identifying what the changes may mean for you, please have a look at our [online education resources](https://govt.us11.list-manage.com/track/click?u=5bcebe8ff41247a98e67420c5&id=e44b202c47&e=e76458644d).[***Highlight on storing business records overseas***](https://govt.us11.list-manage.com/track/click?u=5bcebe8ff41247a98e67420c5&id=11b596d58e&e=e76458644d)Our new Act allows authorised customers and third party storage providers to store Customs-related business records outside New Zealand, including in the cloud. You must first apply to Customs for permission to do this, even if you have Inland Revenue approval. [Full article available here](https://www.customs.govt.nz/about-us/customs-and-excise-act-2018/whats-changed/10-new-services/administrative-penalties/)  |



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| * 1. **Gulf Opportunities Showcase**
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Discover the dynamic Gulf region, and learn how to make the most of Expo 2020 Dubai, with NZTE's upcoming Gulf Opportunities Showcase – coming to Hamilton, Auckland, Christchurch and Wellington. Sign up today to secure your spot at next month's free events, and get ready to find fresh potential for your business. [Learn more and register](https://nzte.gulfshowcase.co.nz/register/?utm_source=ubiquity&utm_medium=engage&utm_campaign=en17032016&utm_content=Read%20More%20Button%20-%20Gulf%20Opportunities%20Showcase%20%E2%80%93%20a%20fresh%20look%20at%20Gulf%20markets)

* 1. **Videos on doing business in the Gulf states**
* [***Doing business in the Gulf***](https://www.youtube.com/watch?v=oNPhz4pH9Qg&t&utm_source=ubiquity&utm_medium=engage&utm_campaign=en17032016&utm_content=Read%20More%20Button%20-%20WATCH%3A%20Doing%20business%20in%20the%20GCC)VIDEO: Get an introduction to the diverse and fast-growing Gulf region from Kevin McKenna, New Zealand Trade Commissioner to the Gulf States.
* [***Doing business in Saudi Arabia***](https://www.youtube.com/watch?v=4LAKfLyrQqc&utm_source=ubiquity&utm_medium=engage&utm_campaign=en17032016&utm_content=Read+More+Button+-+WATCH%3A+Getting+to+know+Saudi+Arabia)VIDEO Hear insights and practical tips for this major Gulf market from New Zealand's Trade Commissioner in Riyadh, Chris Tozer.
	1. **Essential market guides for the Gulf region**

Want a quick introduction to doing business in Gulf markets? Check out our market guides for Qatar, Saudi Arabia, and the United Arab Emirates – part of NZTE's suite of guides covering the wider region. [Guides available here](https://www.nzte.govt.nz/export-assistance/regional-resources/india-middle-east-and-africa?utm_source=ubiquity&utm_medium=engage&utm_campaign=en17032016&utm_content=Read%20More%20Button%20-%20Essential%20market%20guides%20for%20the%20Gulf%20region)

* 1. **India NZ Business Council Summit 2018 – AKL, 28 SEP**

The India New Zealand Business Council (INZBC) will once again bring global leaders together under one roof at its fifth annual summit – focused this year on aviation, tourism and technology. Network with senior officials and business delegations from India, develop new partnerships, and explore the opportunities. [Learn more and register](https://www.inzbusinesssummit.com/?utm_campaign=en17032016&utm_content=Read%20More%20Button%20-%20India%20NZ%20Business%20Council%20Summit%202018%20%E2%80%93%20AKL%2C%2028%20Sep&utm_medium=engage&utm_source=ubiquity)



1. **New Zealand News**



* 1. **New Ambassador to Egypt named**

Foreign Affairs Minister Winston Peters last week announced the appointment of diplomat Greg Lewis as New Zealand’s next Ambassador to Egypt. Mr Lewis will be cross-accredited to Lebanon, Algeria, Tunisia and Libya. He will also be New Zealand’s representative to the Palestinian Authority.

Mr Lewis is currently Lead Advisor in the Protocol Division at the Ministry of Foreign Affairs and Trade. An Arabic speaker, he has served in the New Zealand Embassies in Cairo and in Riyadh. [Full article available here](https://www.beehive.govt.nz/release/new-ambassador-egypt-named)

* 1. **Ratification of Pacific trade deal a step closer**

Last week Trade and Export Growth Minister David Parker welcomed the third reading of the Tariff (PACER Plus) Amendment Bill.  “The agreement strikes a balance between delivering lower barriers and greater certainty for New Zealand businesses, while helping the Pacific Island countries to open their economies to trade at a sustainable pace,” David Parker said.

“The agreement will benefit our Pacific neighbours and help them seek the same kind of outcomes New Zealand is pursuing through the ‘Trade for All’ agenda. We want the benefits of trade to be felt right through communities.”  PACER Plus comes into force 60 days after at least eight of the eleven signatories have ratified. The other signatories are: Australia, the Cook Islands, Kiribati, Nauru, Niue, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu. [Full article available here](https://www.beehive.govt.nz/release/ratification-pacific-trade-deal-step-closer)

**General**

* 1. **New leadership team for Plant & Food Research**

Plant & Food Research last week announced a refreshed [senior management team](https://plantandfood.us5.list-manage.com/track/click?u=1b46d14e528ad30bae8b3663c&id=fd3d983174&e=534da11b86) following the promotion of David Hughes to CEO and the resignations of two senior leaders after lengthy terms of service. The senior team has been increased by one to seven with the creation of two science leadership roles, replacing the Chief Operating Officer role – one to head Science Services and the other responsible for Technology Development.

The appointments are:

* Dr Kieran Elborough Group General Manager, Technology Development
* Philippa Stevens Group General Manager, Science Services
* Dr Gavin Ross Group General Manager, Marketing & Innovation
* Quentin Smith Group General Manager Finance Infrastructure and Information

The following two remain in the Senior Management Team

* Craig Jensen General Manager Human Resources
* Dr Richard Newcombe Chief Scientist
	1. **Apple and stonefruit industry members disappointed with revised MPI directions**

Apple and stonefruit industry members went into discussions with MPI on Friday 31st September to seek an alternative to the initial MPI directive to contain and/or destroy over 48,000 apple and stonefruit plants - which was deemed unlawful following a High Court judicial review.

Justice Cooke had previously held MPI’s initial directive to be unlawful, but had issued interim orders maintaining the status quo for the plants and plant materials. [Full article available here](http://www.freshplaza.com/article/200596/Apple-and-stonefruit-industry-members-encouraged-by-constructive-meeting-with-MPI)

With one minute before the 5:00pm deadline set by the High Court, MPI issued revised directions to the affected apple and stonefruit industry members, under s122 of the Biosecurity Act. Essentially, it appears that all of the plants that were contained under s116 have simply been transferred to the new order and are now contained under s122.

“We are very concerned that the new directions provide no guarantee as to when any of the plants will be released from containment. There has been no commitment from MPI to timelines, which makes our lives and the prospect of commercialising any of these plants extremely challenging,” added Kerry.   Since the High Court ruling, the plants and plant materials have been subject to interim orders, requiring the parties to contain selected plant materials in an appropriate quarantine facility and allowing all other plant material to remain in situ and be subject to a spraying and/or netting programme agreed with MPI.

The group will take some time to carefully review and consider the new directions and testing plan. [Full article available here](http://www.freshplaza.com/article/200808/Apple-and-stonefruit-industry-members-disappointed-with-revised-MPI-directions)

* 1. **US facility no longer wants to deal with New Zealand**

A top US facility (Washington University Clean Plant Center Northwest (CPCNW) ) that globally supplies cultivars for the pipfruit and stonefruit industry has lost interest in dealing with New Zealand.  An industry member blames the way MPI has dealt with the pipfruit/ stonefruit issue.

“That is massive; a huge negative for our industries because that is the main clearing house for material to be sent all around the world,”. If CPCNW does not want to deal with NZ that causes big problems” Kerry Sixtus of Pattullo’s Nurseries says: “All those cultivars that come out of the US, all those summer fruit cultivars… that’s the main breeding force around the world out of California. “We now have to look at other ways of getting them into the country.” [Full article available here](http://www.freshplaza.com/article/200921/US-facility-no-longer-wants-to-deal-with-New-Zealand)

**Industry news**

* 1. **Cross-appeal filed in Kiwifruit Claim case**

The Kiwifruit Claim group has filed a cross-appeal over the High Court decision which found the MPI negligent in letting vine-killing disease Psa-V into New Zealand in 2009, which resulted in enormous damages to the kiwifruit industry.

This legal step followed the Crown appeal against the High Court decision that had found MPI negligent. Both parties will have to wait until later this year or early-2019. For the Court of Appeal to hear both the Crown’s appeal and the Kiwifruit Claim group’s cross appeal at the same time.

[Full article available here](http://www.freshplaza.com/article/200780/New-Zealand-Cross-appeal-filed-in-Kiwifruit-Claim-case)

* 1. **Zespri predicting profit growth**

New Zealand’s kiwifruit export marketing body Zespri Group expects profits to surge in the coming year as it grows volumes and seeks to maintain values in "challenging" markets with higher volumes of low-priced fruit.

The Mount Maunganui-based company reaffirmed its forecast for net profit of between $175 and $180 million in the year ending March 31, 2019. This would be up from $101.8 million last FY. It expects to pay a dividend per share of $1.35-to-1.40, up from 76 cents per share last season.

Zespri expects green kiwifruit to return $5.47 per tray in the 2018/19 season, down from $6.71 last season, while the average per-hectare return is forecast to increase to a new record of $64,455 from $59,981. The Zespri organic green variety is forecast to return $8.67 per tray, down from $8.93, with the average return per hectare lifting to $69,663 from $52,375.Its sweeter green variety, known as Green14, is forecast to return $6.85 per tray, up from $5.61 last season, with the average return per hectare lifting to $43,876 from $38,937.

Finally, Zespri forecasts SunGold fruit will return $10.28 per tray, up from $10.07 a tray last season, with the average return per hectare rising to $138,973 from $114,345.[Full article available here](http://www.freshplaza.com/article/200825/New-Zealand-Zespri-predicting-profit-growth)

* 1. **Avocado conference shows industry growth**

This article provides an overview of the Avocado conference held in Tauranga in the last week of August. The conference theme was growing avocados for the world and attracted over 400 delegates. We covered topics across performing on the global stage, technology and innovation, research and extension, and sustainability. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12120436)

* 1. **New deals give Kiwi agritech access to deep US and European pockets**

Along side the agritech partnership agreement signed with Western Growers' Technology and Innovation Center at Salinas (reported last week) , NZ Agritech also established a second quite separate, partnership making New Zealand the first country partner of Farm2050, a collective of the world's biggest agribusinesses and agritech sector investors and entrepreneurs.

"These investors not only have capital but their own portfolios of companies and partnerships and they will introduce New Zealand companies into those networks. By themselves, these (NZ) companies would find it difficult to get time with the likes of Microsoft but they'll have much better access through Farm2050." The investors are from Europe as well as North America, he said.

The New Zealand agritech sector, which pioneered the world's first electric fence, electric farm bike and digital milk meter, produces export returns of $1.2 billion a year.

The Farm2050 agreement followed Agritech New Zealand hosting a conference during TechWeek in May which drew international senior executives from sector heavyweights including Microsoft, Bayer, Rabobank and the Irish Sovereign Fund. Two New Zealand companies, Biolumic of Palmerston North and Dunedin's TracMap already have desk space at the Salinas technology centre, while three more, Robotics Plus, Autogrow and GPS-it are lined up for desks. Biolumic, a developer of ultra-violet technology to speed the growth of seedlings in glasshouses and greenhouses, had recently received US$6m from an American investor, while Tauranga horticulture company Robotics Plus, had got funding support from Salinas-based Yamaha Ventures. [Full article available here](https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12117009)

* 1. **Seeka's avocado harvest has started**

Seeka's avocado harvest has begun,. The 2018/19 season runs from August to February. This year volumes are expected to rise to 650,000 trays. Seeka exports most of its avocados to the Australian market and complements this with sales to Korea, Japan and in 2018 China for the first time. Seeka is able to offer avocados to its wholesale and retail partners in a combined supply programmes with other fruit including kiwifruit, nashi and European pears. [Full article available here](http://www.freshplaza.com/article/200594/Seekas-avocado-harvest-has-started)

**Crop news**

* 1. **First company receives medical cannabis license**

Hikurangi Cannabis has become the first New Zealand company to secure a license to cultivate medicinal cannabis plants. The license issued by the Ministry of Health enables Hikurangi to breed cannabis strains that can eventually be used in medicines.

Hikurangi has secured significant investment and will now start building high tech greenhouses and processing facilities near Ruatoria on the East Coast. Hikurangi has commissioned clinical trials to start next year for the first New Zealand made cannabis medicines. Obtaining the license triggers a series of transactions for the company to access funds raised over the past six months from New Zealand investors.

Co-founder and interim CEO Manu Caddie said $2.5 million is being invested by over 1500 local families and other New Zealanders provided the foundation for negotiations with institutional investors keen to bring larger investments to the business.

Hikurangi plans to scale operations quickly to meet both domestic and global demand for pharmaceutical grade cannabis products. The company is in discussions with a large US medical cannabis company interested in collaborating with Hikurangi on clinical trials and global brand development. Hikurangi is also working with one of the largest private medical research organisations in the world. The researchers are interested in assisting Hikurangi with clinical trials for new cannabis-based medicines. Global demand for medical cannabis is at an all time high and Hikurangi has a conditional agreement to supply Seattle based Rhizo Sciences with $160 million worth of products over the next three years.

The government’s medicinal cannabis bill is currently being finalised following the Select Committee process and it is likely to have its second reading next month. Mr Caddie said he expects the legislation to pass its final reading by October and the domestic industry needs regulations set within six months to ensure it can get local products to patients who need safe and affordable products right now. While the Ruatoria facilities are being built, Hikurangi is planning to import more affordable products so they are available to people who need them sooner. [Full article available here](http://www.hortidaily.com/article/45516/NZ-First-company-receives-medical-cannabis-license)

* 1. **Waimea Dam project to go ahead**

The Waimea Community Dam project will continue, thanks to a revised funding proposal that reduces the cost and risk to ratepayers of proceeding. The Tasman District Council has voted 9-5 to revoke an in-principle decision it made on August 28 not to continue with the dam. After the August 28 decision, the council's dam joint venture partners, Waimea Irrigators Limited (WIL) working with investors and central Government, proposed a revised funding model that limits the impact of the price increase on ratepayers. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12120940)

The decision by Tasman District Council to support a revised funding proposal to enable the Waimea community dam to proceed is good news for the district, says IrrigationNZ. “Tasman growers recently said that without a secure water supply some growers would re-evaluate their future in the district,” says Andrew Curtis, IrrigationNZ Chief Executive. [Full article available here](http://www.freshplaza.com/article/200991/Waimea-dam-decision-good-news-for-Tasman)

* 1. **PickMee!'s summer fruit crop in Hawke's Bay**

An article about PickMee brand of Summerfruit extending their plantings of Summerfruit in the Hawkes Bay. Altham said in recent years, because of the success of New Zealand's pipfruit industry, many growers had replaced their smaller summer fruit blocks with more popular higher-value export apple varieties."But for us, summer fruit is an important part of our overall business mix. Having summer fruit along with pipfruit has enabled us to create more better-paying, permanent jobs for New Zealanders.

"We've also opened a new-state-of-the-art $25 million pack and cool operation, which has future-proofed the business ready for increasing production as new plantings come on stream."

In three months, the company's first nectarines and peaches will be harvested for sale, followed by plums which go through to April, combining with the apple harvest, which starts at the end of January. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12117201)

* 1. **New Zealand fruit exports boost trade in June quarter**

Stats NZ has stated that fruit exports drove wholesale trade sales up in the June 2018 quarter.

The seasonally adjusted total sales value for wholesale trade rose 2.6 percent in the June 2018 quarter, following a modest 0.3 percent rise in the March 2018 quarter.“This industry’s increase was led by greater sales for fruit exporters. Both kiwifruit and apple exporters had a very good quarter,” wholesale trade manager Sue Chapman said.

Kiwifruit monthly exports soared to a new high in April this year. They rose $197 million (82 percent) in April 2018 compared with April 2017, to reach $438 million, Stats NZ said today. This is a new high for any month.[Full article available here](http://www.freshplaza.com/article/200983/New-Zealand-fruit-exports-boost-trade-in-June-quarter)

**Other**

* 1. **Gisborne developing a taste for exotic mushrooms**

A Gisborne exotic mushroom grower plans to expand his operation, following their successful introduction at the local farmers markets. Mr Perez is a Mexican agronomist and the company grows the mushroom spores in a basic laboratory which was set up in 20-foot shipping container, with another two growing containers. Mr Perez says demand was the reason behind starting the mushroom production. "We are just quite limited to what we can grow in New Zealand," Mr Perez said. "Because of biosecurity, there is only 10-15 different species that are allowed in the country, so we are only growing what is in the country, and what we can get our hands on. I have 10 strains in the fridge, so that is what we can look at growing”. Once we get to full production, with the current setup, I am hoping to get to 90 kilos a week." [Full article available here](http://www.freshplaza.com/article/200918/NZ-Gisborne-developing-a-taste-for-exotic-mushrooms)

* 1. **Roundup debate in New Zealand**

The safety of Roundup has been called into question after a jury in the United States ordered Roundup manufacturer Monsanto to pay $NZ440 million in damages to a school caretaker who always used Roundup, and is now dying of cancer. Monsanto strongly disputes any link with cancer, saying glyphosate only affects plants, does not persist in the environment and does not bio accumulate.

It said glyphosate breaks down quickly and harmlessly in the soil, but not everyone agrees because of an unusual chemical bond between phosphorus and carbon.

Federated Farmers Hawke's Bay President Jim Galloway said glyphosate was central to farming systems and when applied correctly was harmless. He said it was also greener than traditional spray-free farming systems. "It reduces our carbon footprint and helps water quality by using it," he said.

"When you work ground up there is a release of carbon dioxide into the atmosphere."

There are many studies suggesting glyphosate is safe, but an International Agency for Research on Cancer report said glyphosate was a probable cause of cancer, though its findings have been widely criticised. Massey University weed scientist Dr Kerry C Harrington said there was "a compelling case" that there was no issue with Roundup. "It seems very unlikely that glyphosate causes cancer, bearing in mind there has just been a court case in America that said 'yes it does'," he said. "But that is a jury case with members of the public. They get very confused when complicated toxicology concepts are put across."

Here in New Zealand, a government-commissioned review found glyphosate was not a food safety issue for consumers, in agreement with a chorus of bodies such as the European Food Safety Authority. Late last year the multi-agency US Agricultural Health Study was published. It tracked 52,000 spray applicators and 32,000 of their spouses for 20 years and found no link between glyphosate and cancer. Monsanto's Roundup has long been on the radar of anti-GE activists, because it was the spray genetically-altered crops were designed to resist.GE-Free NZ Hawke's Bay spokesman Adrian White said independent research is needed. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12119085)

**Biosecurity**

* 1. **Myrtle rust detection programme wound down**

Biosecurity New Zealand has stopped its myrtle rust surveillance programme and staff have been laid off or re-assigned by contractor AsureQuality. Officials are now focusing on long term management of the plant disease, which was first detected on the mainland in a Kerikeri nursery in April last year.
Project Crimson conservation manager Caroline Wallace said so far the disease did not appear to be as severe on pohutukawa and rata as first feared. Project Crimson's mission is to protect the two species. [Click here to read the complete article on www.stuff.co.nz](https://www.stuff.co.nz/business/farming/106852672/myrtle-rust-detection-programme-wound-down)



1. **International news**

**Comment**

* 1. **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. With regard to import regulations for a particular market New Zealand exporters should first check the countries ICPR on MPI’s web site. These are collated specifically for New Zealand product. However the Gain reports often provide additional information that is useful e.g. on grading and labelling, economic profiles. This week see:

1. **France Retail Foods** More than 70 percent of French household food purchases are made in supermarkets and local smaller discount stores. Different types of retailers have experienced growth and success over the last eighteen months, both local stores and some larger discount stores offering innovative services.  [Retail Foods\_Paris\_France\_9-4-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Paris_France_9-4-2018.pdf)
2. **Hong Kong Fresh Fruits Product Brief** Hong Kong is a dynamic market and an effective re-export platform of fresh fruits encompassing US$2.6 billion of gross imports and US$1.6 billion of re-exports in 2017. With zero tariffs on fruits and most agricultural products, efficient customs procedures, and transparent food regulations, market access is easy and new varieties and suppliers are always present in the market. [Fresh Fruits Product Brief\_Hong Kong\_Hong Kong\_8-23-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Fruits%20Product%20Brief_Hong%20Kong_Hong%20Kong_8-23-2018.pdf)
3. **EU-28 Stone Fruit**EU-28 production of peaches and nectarines in MY 2018/19 is estimated at 3.5 million MT, 12 % lower compared to the previous campaign due to unfavorable weather conditions in most of the major producing countries. [Stone Fruit Annual\_Madrid\_EU-28\_8-24-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Stone%20Fruit%20Annual_Madrid_EU-28_8-24-2018.pdf)

**Regulatory**

* 1. **Trump threatens to pull US out of World Trade Organization**

President Donald Trump has threatened to withdraw the US from the World Trade Organization (WTO), claiming it treats his country unfairly. " The WTO was established to provide rules for global trade and resolve disputes between countries. Trump says the body too often rules against the US, although he concedes it has won some recent judgments.

He claimed earlier this year that the WTO was set up "to benefit everybody but us", adding: "We lose the lawsuits, almost all of the lawsuits in the WTO." However, some analysis shows the US wins about 90% when it is the complainant and loses about the same percentage when it is complained against. Washington has recently blocked the appointment of new judges to the WTO's Geneva-based dispute settlement body, which could potentially paralyse its ability to issue judgments. [Full article available here](http://www.freshplaza.com/article/200572/Trump-threatens-to-pull-US-out-of-World-Trade-Organization)

* 1. **Trade wars and tariffs are hot topics**

 An overview of views at Asia logistica

* New Zealand -there was uncertainty as to what the future holds for various exports due to changing political situations around the world.
* Peru and other- Latin American countries hope to take advantage of the tariff war.
* South Africans,- while concerned about what could potentially happen in their country if land appropriations do go ahead, try to remain optimistic.
* Spanish companies are increasingly taking part in the show now the Chinese market, and Asian market- is general is growing in importance .
* While the Asian market is well represented at Fruit Logistica the country with the least representation is China itself. [Full article available here](http://www.freshplaza.com/article/200885/Trade-wars-and-tariffs-are-hot-topics)

**Business**

* 1. **The rise of blockchain technology in agriculture**

Several ongoing projects now illustrate the impact blockchain technology is having on agriculture and suggest it has great potential for the future. Two important areas are agriculture and the food supply chain.

In December 2016, the company AgriDigital successfully executed the world’s first sale of 23.46 tons of grain on a blockchain. Since then, over 1,300 users have been involved in the sale of more than 1.6 million tons of grain over the cloud-based system, involving US$360 million in grower payments.

The success of AgriDigital has served as an inspiration for the potential use of this technology in the agricultural supply chain. The initiatives where blockchain technology could be used to solve real-life practical problems fall into two categories: supporting small farmers, and food safety and integrity.

## *Supporting small farmers* Supporting small -scale farmers and small cooperatives is currently by far the best way to improve efficiency in developing countries. Three initiatives show how blockchain can provide trust in product from smaller producers

## *Food safety and integrity*  Food safety is about handling, preparing and storing food in ways that prevent food-borne illnesses. Food integrity refers to the fairness and authenticity of food in food value chains both at the physical level and the digital level. The digital level should provide reliable and trustworthy information on the origin and provenance of food products at the physical level. Food safety and integrity can be enhanced through higher traceability

Examples provided include tracing turkeys to the farm on which they were raised, Carrefour is using blockchain to verify standards and trace food origins, ‘Paddock to plate’ designed to track beef and protect Australia’s reputation for quality production and Sawtooth for fisheries supply chains.

 To improve traceability in value chains, a decentralized ledger helps to connect inputs, suppliers, producers and buyers. There are various barriers and challenges for the wider adoption of blockchain technology. A case study in the Netherlands revealed that small and medium-sized businesses are too small or lack the expertise to invest in the blockchain by themselves. Current uncertainties are preventing individual parties from developing a convincing business case. With respect to education, there is a lack of awareness about the blockchain, and training platforms are non-existent.

Another important barrier is regulation. Without some form of regulation, cryptocurrency is not a trusted means yet for use in food supply chains as a comprehensive solution. And there is still a lack of consensus among policymakers and technical experts on how to use blockchain technology and carry out transactions based on cryptocurrency.Blockchain technology must become simpler to understand and use. A number of start-ups have been working in this space, such as 1000 EcoFarms, which developed an entire platform to make it easier for farmers to use the blockchain.

We also need to address various issues on the public research agendas, while governments should invest more in research and innovation to develop evidence for the added value of the technology and design a clear regulatory framework for blockchain implementations. The near future will show if and how these challenges can be addressed by governmental and private efforts, in order to establish blockchain technology as a secure, reliable and transparent way to ensure food safety and integrity.

[Full article available here](http://ictupdate.cta.int/2018/09/04/the-rise-of-blockchain-technology-in-agriculture/)

* 1. **Romaine, blockchain and the future of food safety**

Romaine lettuce dominated headlines earlier this year in the USA , when nearly 100 people became ill after eating romaine tainted with E.coli. In addition to the romaine outbreak, there were 38 food-related recalls filed with the FDA just in April 2018 alone.

A huge challenge around foodborne illness outbreaks is pinpointing exactly where the tainted food originated, where it was distributed, and where it was served or sold. Blockchain technology is quickly becoming the “next hot thing” in other industries when traceability is needed . Walmart is working to bring blockchain to the food service industry, aiming to reduce or prevent the safety issues plaguing America’s food industries. Walmart’s efforts are admirable. A decade ago, the retail giant pushed the Global Food Safety Initiative (GFSI) as a new standard. Five years later, Walmart’s Food Safety Executive, Frank Yiannis, unveiled SPARK, a paperless auditing system that integrated early versions of Bluetooth thermometers. Walmart has demonstrated a long, successful history as a technology-forward retailer, and they continue to invest heavily to protect their food supply chain.

But while this system was deployed throughout Walmart’s corporate network, it did not deeply penetrate their supply chain. In fact, the vast majority of Walmart’s suppliers still keep paper records, which are housed in file cabinets. As a result, important data can’t be integrated, analyzed or shared. IBM and Walmart want to incorporate blockchain throughout the food industry, but the core “technology” of the food industry is paper and pens.

Implementing blockchain—and other technologies—in the food business will be a multi-step process. The first (important) step is to get more food businesses to transition from paper safety systems to digital solutions. Going digital is easy, affordable, and a critical step to safer food – especially as more food businesses adopt tech solutions. [Full article available here](https://www.foodnewsfeed.com/fsr/expert-insights/romaine-blockchain-and-future-food-safety)

* 1. **How will technology allow us to feed future cities?**

In this TEDx Talk Richard Ballard, Co-founder of Growing Underground, explains how the underground farm uses redundant urban spaces to feed a growing population sustainably and efficiently. His company under London is now delivering fresh hyper-local produce to retailers and the London wholesale markets. [Full article available here](http://www.hortidaily.com/article/45597/How-will-technology-allow-us-to-feed-future-cities)

* 1. **The transforming power of Vertical Farming**

The vertical farming industry has been moving from strength to strength in recent years, as fully-realized facilities are opening up across the globe. The first-ever Vertical Farming Summit in Asia opened last week . After the workshops, the groups’ findings will be shared and discussed, and an overarching 5-year roadmap for the implementation of Vertical Farming/Plant Factories will be developed. [Full article available here](http://www.hortidaily.com/article/45562/The-transforming-power-of-Vertical-Farming)

* 1. **New responses to the way we grow food are a must**

With rising global urban populations, existing food infrastructure systems are rapidly becoming unsustainable. Some of those looking for alternative solutions note food’s potential to act as an organiser of urban systems and catalyst for change. This article from Wageningen University & Research looks at how architects and designers have been using urban farming as a vehicle to speculate about “green” futures.. [Full article available here](http://www.hortidaily.com/article/45549/New-responses-to-the-way-we-grow-food-are-a-must-to-respond-to-the-challenges-of-the-future.)

* 1. **Can urban greenhouses support social justice or is it only benefitting the rich?**

Can urban greenhouses support social justice (or is it only benefitting the rich)? This article from Wageningen University & Research interviews Nevin Cohen from the City University of New York about this question. . "

Urban food has many social ambitions: involving/activating vulnerable social groups, providing fresh food to people who otherwise cannot afford it, giving school children hands-on experience with growing food. On the other hand, in current circumstances producing food in the cities is costly and often involves high-tech solutions that are not easily accessible. This results in the situation where urban food is sold as premium product for upper-end customers. Is it possible to combine social ambitions with economic feasibility? Can urban farming contribute to creating healthier foodscapes in the cities, also for vulnerable groups or is it just an utopian ideal? Perhaps the impact of the urban farms on the cities is just a contrary to its social ambitions. Do they contribute to the process of gentrification of the cities? Do they reinforce social exclusion instead of inclusive ideals? [Full article available here](http://www.hortidaily.com/article/45524/Can-urban-greenhouses-support-social-justice-or-is-it-only-benefitting-the-rich)

* 1. **Brazilian court rules that growers will continue to have access to glyphosate**

A Brazilian court ensures growers in that country that they will have continued access to glyphosate-based herbicides. On August 3, 2018 a Brazilian judge issued an injunction that could have prohibited the registration and use of glyphosate-based herbicides and several other crop protection products in the country. The injunction was not a ruling on glyphosate safety but only related to delays in routine regulatory reviews of crop protection products. [Full article available here](http://www.hortidaily.com/article/45526/Brazilian-court-rules-that-growers-will-continue-to-have-access-to-glyphosate)

* 1. **Taking advantage of opportunities in Canada and Saudi Arabia at Fruit Attraction**

The tenth edition of FRUIT ATTRACTION will host, for the second year in a row, the World Fresh Forum, which will present the business opportunities and commercial challenges that exist in the countries invited to this edition: Saudi Arabia and Canada. Organised by the Secretary of State for Trade, ICEX Spain Export and Investment, IFEMA and FEPEX, the World Fresh Forum will take place on 24 and 25 Octobe in Madrid. [Full article available here](http://www.freshplaza.com/article/200967/Taking-advantage-of-opportunities-in-Canada-and-Saudi-Arabia-at-Fruit-Attraction)

 **Innovation**

* 1. **"Intelligent Sprayer: commercialization approved"**

Dr. Heping Zhu, USDA ARS Wooster, designed the Intelligent Spray Control System to help bring precision agriculture to environmental horticulture. It is currently being commercialised in the USA. A laser on the sprayer detects the plant canopy; that information triggers spray nozzles to activate only where plant material is present. The result is that much less spray is required. Dr. Zhu and his cohorts estimate anywhere from 47-70% reduction in pesticide needs (while still maintaining efficacy); this translates to $140-280 annual cost savings per acre in nursery production. Beneficial insects also benefit through the significant reduction in pesticide drift – up to 87% reduction in general airborne drift and up to 93% reduction in drift on the ground. Dr. Zhu is currently working to adapt this technology to greenhouse operations. [Full article available here](http://www.floraldaily.com/article/16997/Intelligent-Sprayer-commercialization-approved)

* 1. **Drones against red spider mites**

A project that is still being studied involves the use of drones to protect industry tomatoes from red spider mites, reports Rossano Remagli Buoli, contractor and vice-president of the Uncai contractors association in Cremona. When it comes to tomato crops, a drone can help against red spider mites. It flies over the infested crop and drops biodegradable capsules that contain an antagonist insect with the utmost precision.

Real tests will start in 2019. The antagonist insect used will probably be*Phytoseiulus persimilis*, a predatory mite employed successfully all over the world against the red spider mite (*Tetranychus urticae*). [Full article available here](http://www.freshplaza.com/article/200902/Drones-against-red-spider-mites)

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