



PMAC weekly update 5th to 12th February

- 1. Government agencies:** MPI prioritisation process for Market Access requests closes 22nd February; WTO Notifications; Japan country perceptions - agrifood insights for NZ exporters; NZTE Export Essentials Workshops - register now; Documentation and INCOTERMS made easy - AKL, 23 Feb
- 2. New Zealand News:** Agribusiness needs urgent vision; New Zealand: Infected myrtle rust properties rises to 249; New Zealand, South Korea jointly research intelligent farming; Green Party push for country of origin labelling; Rokit in the USA; Zespri unveils new executive team; Major blackcurrant buyer Ribena cuts NZ contracts; Northland and Hawkes Bay earmarked for kiwifruit expansion; NZ Munch'n™ Kiwiberry harvest under way!; Early signs positive for NZ apples
- 3. International news:** GAIN reports; Mediterranean Fruit fly outbreak declared in Adelaide; Tasmania: Authorities seize produce taken outside exclusion; How China is working to feed growing domestic demand; China: Cherry market analysis; China: Shenzhen port returns 17 tons of Chilean cherries; UK: Bar codes to disappear from supermarket goods within 5 years; US: Ag exports support growing number of jobs outside farming; Global fruit sector mapped; China: Fresh food e-commerce booming; JD.com opens Australia New Zealand office; Floral and plant style trends of 2018; Ozone treatment reduces rot

Editors comments

This weeks update has a good collection of news positive about New Zealand's horticultural industries. News that Zespri has unveiled its new executive team to double the value of exports by 2025 is followed by an article identifying the potential for significant kiwifruit planting in the Hakes Bay and Northland. The apple season is looking particularly promising with good quality early crops that will enter European markets ready for fresh fruit. A review of the Chinese Cherry market mentions that our Cherries stand out among imported cherries for their high quality.

That's not to say that its all easy sailing the article on how China is working to feed its domestic markets shows just how quickly the country is upscaling and New Zealand exporter are going to need to work hard to maintain a good reputation. Even so JD.com China's largest retailer has just opened an Australasian office to source more product from this region because its says New Zealand and Australian products have such a good reputation

In the international section the news from Australia about a Mediterranean fruit fly outbreak in South Australia is concerning especially when it is read in conjunction with the following article about more than one interception interceptions of fruit and vegetables deliberately being taken out of the Queensland fruit fly control zone in Tasmania.

1. Agency news



1.1. MPI prioritisation process for Market Access requests closes 22nd February

If your sector wishes to progress a formal request for access to a new market you need to be interested in this process. The number of requests that MPI receives from plant product exporters, for assistance with requests for new market access is often greater than can be progressed. At times they exceed MPI's capacity to deal with them and often they exceed the target markets' willingness to consider them. For this reason MPI has developed a PMAC agreed prioritisation process to ensure transparent and consistent assessments of these requests. This process was first used in 2016 and will now be offered annually.

Full documentation for the process and what is required is available from either info@pmac.co.nz or from Ivan.Veljkovic@mpi.govt.nz

1.2. 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 includes:

- Canada and Chile MRL levels
- Saudi Arabia – Announcing the fact new rules controlling the import of food products come into force on the 1st March 2018

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



2018 - WTO
Notifications - 7-2-18
here



1.3. Japan country perceptions - agrifood insights for NZ exporters

Japan is brimming with business opportunities. But with high expectations and specific demands, it's a tough market to crack. Get a head start for your F&B business with this Agrifood Whitepaper from the New Zealand Story - including a look at existing perceptions of New Zealand in Japan, tips on doing business effectively and profitably, and lessons from other New Zealand exporters who have tackled the market. [Download here](#)

1.4. NZTE Export Essentials Workshops - register now

There's still time to book for the first round of NZTE's Export Essentials workshops for 2018 - and get the tools and action plan you need to reach your goals. This year's workshops will kick off in Napier on 14 February, followed by Christchurch, Auckland and other centres around the country. Read more below for upcoming dates and registration. [Learn more and register](#)

1.5. Documentation and INCOTERMS made easy - AKL, 23 Feb

No job's complete until the paperwork is done - and you can reduce penalties and charges, and enhance productivity in your business, by getting your export documentation right. Register now for this Better Exporting seminar from ExportNZ, coming up in Auckland later this month.

[Learn more and register](#)



2. New Zealand News

General

2.1. Agribusiness needs urgent vision

Agriculture Minister, Damien O'Connor, has returned from a recent trip to Europe with a strengthened belief that New Zealand needs a vision and strategic plan for the agribusiness sector. Having visited a number of countries as well as the Green Week trade show in Berlin, he said the language in Europe is around food strategies rather than farm production strategies.

He said that there is a need for New Zealand to do the same and he hopes that the Primary Production Council that he plans to have up and running by April will help facilitate a strategy and make it happen. During his trip the Minister met officials and Ministers from a number of countries and reinforced New Zealand's desire to seek a free trade agreement with the European Union, something he believes we are well placed to progress. [Full article available here](#)

2.2. New Zealand: Infected myrtle rust properties rises to 249

The number of new finds of myrtle rust since 26 January brings the total number of infected properties to 249. Of these, 22 have also had reinfections.

Plants on which myrtle rust has been detected, and prevalence of the disease, include:

	Count	Total surveyed	Prevalence
Ramarama <i>Lophomyrtus spp</i>	160	3648	4.39%
Metrosideros species (<i>Pohutakawa</i> , <i>rata sp</i>)	89	28182	0.32%
Willow myrtle – <i>Agonis flexuosa</i>	4	368	1.09%
Monkey apple <i>Syzygium spp</i>	41	7349	0.56%
Bottle Brus <i>Callistemon spp</i>	10	5818	0.17%

Gum <i>Eucalyptus spp</i>	1	3517	0.03%
Manuka	1	10766	0.009%
Feijoia	1	11328	0.009%
Chilean guava	1	828	0.121%
Other	0	13158	0.000%
Total	308	84,962	0.36%

Prevalence in this case is the percentage of total trees of that type surveyed that were positive for myrtle rust. The above figures have been collated since 26 January 2018. Source: [New Zealand Plant Producers Incorporated](#) [Full article available here](#)

2.3. New Zealand, South Korea jointly research intelligent farming

Plant & Food Research has been successful in the latest round of MBIE's Catalyst Strategic Fund for joint research partnerships between NZ and the Republic of Korea. The new three-year project will focus on real-time monitoring of plant health, nutritional status and fruit development, a key challenge for intelligent farming and smart harvesting. This information should allow timely, less wasteful addition of water/fertiliser, and more accurate prediction of harvest maturity.

[Full article available here](#)

2.4. Green Party push for country of origin labelling

MP Gareth Hughes (Green party) is confident his country of origin food labelling Bill will pass into law this year after passing its first reading unanimously last year. It will require country of origin labelling on all fruit and vegetables and other single component foods sold in New Zealand. Horticulture New Zealand estimates 90 percent of the countries that buy our horticultural produce require country of origin labelling. [Full article available here](#)

Industry news

2.5. Rockit in the USA

A good article that describes the marketing being put in place to sell Rockit apples in the USA . It also covers the approach being taken to supply demand in the US and covers some of the challenges of getting the fruit to market [Full article available here](#)

2.6. Zespri unveils new executive team

Leading kiwifruit marketer Zespri has announced an executive-level restructure to better align the business for the strong growth projected in coming years and will set the company up to achieve its challenging mission of more than doubling global sales to NZ \$4.5bn by 2025.

Under the new executive structure, the role of chief operating officer (vacated by experienced hand Simon Limmer late year) has not been replaced. The portfolios of supply chain, grower and alliances, and international production, are included, with chief supply chain officer Blair Hamil, chief international production officer Sheila McCann-Morrison and chief of grower and alliances David Courtney working together with a broad mission to 'fulfil demand'.

Mathieson's former position as president of global sales and marketing also ceases to exist. The sales and marketing portfolios have been separated, with two roles created. Jiunn Shih steps into the position of chief marketing officer while Linda Mills becomes chief market performance officer, with the two working in tandem to 'increase demand'. "This structure will ensure Zespri has the focus to not only continue to deepen our win-win relationships with key customers around the world, but also the focus to strengthen our ability to understand consumers needs and engage them with better experiences," said Mathieson.

Zespri has also created a new executive portfolio for digital technology. "This will help us to embrace the possibilities of technology, integrate our increasingly global organisation and improve our core business," he noted. Andrew Goodin is acting as chief digital officer while recruitment is underway for the position. The chief digital officer will work alongside chief finance officer David Hazlehurst and chief people officer Patrick Watson with a focus on 'strategic enablers and corporate'.

Innovation and sustainability is the other key mission, with Carol Ward completing the executive team as chief innovation and sustainability officer. [Full article available here](#)

2.7. Major blackcurrant buyer Ribena cuts NZ contracts

Buyers for the Ribena brand have decided not to renew contracts with New Zealand blackcurrant growers. It is expected that this will have a big effect on the industry. They had previously taken more than half of New Zealand's 8000 tonne crop. Blackcurrant industry consultant Mike Callagher said it was something of a shock, or a surprise at least.

However, he still believes there is hope that Ribena will continue purchasing New Zealand blackcurrants in the future. Mr Callagher added that the industry remained optimistic through this, and many growers are trying to find new markets for their crops. Ribena will continue to be made from 100 percent New Zealand blackcurrants according to Frucor Suntory. [Full article available here](#)

Crop news

2.8. Northland and Hawkes Bay earmarked for kiwifruit expansion

ANZ's 2018 Kiwifruit Industry paper identifies that Northland currently grows 1 per cent of the country's green kiwifruit crop and 5 per cent of the Gold3 (Sun Gold) crop while Hawke's Bay has 1% of the country's green kiwifruit orchards and 3% of Gold3. However, with limited greenfield land available in the Bay of Plenty, the report suggested future sales of SunGold licences by single-desk marketer Zespri would require alternative growing regions to be developed.

Zespri's goal is to more than double global sales to \$4.5 billion by 2025, while maintaining strong returns to NZ growers. Achieving this ambitious growth means an additional 7000 ha of SunGold in NZ and around 6500 ha offshore, as well as large-scale investment in post-harvest infrastructure, as outlined in ANZ's report.

The Zespri Board last year announced that 700 ha of SunGold licence and an additional 50 ha of SunGold organic licence will be allocated each year for the next five years. "This is run as a closed tender bid process so we can't say with any certainty how much licence will be allocated to each region."

"Northland's subtropical climate and wide diversity of soil is being considered by industry participants as an area with strong growth potential, which would suit the SunGold variety. Forecasts from the University of Waikato predict kiwifruit earnings in the Northland will more than double to NZ\$72m by 2030, with the number of jobs expected to increase from 380 to 886.

While Sun Gold is seen as a key driver for growth across the industry, based on its higher revenue stream, the ANZ report suggested further financial and opportunity cost analysis should be undertaken before converting already productive green kiwifruit orchards. This is particularly so given global demand for green kiwifruit remains strong and there is an overall [Full article available here](#) and [Full article available here](#)

2.9. NZ Munch'n™ Kiwiberry harvest under way!

Freshmax started harvesting the first of their premium kiwiberries last week significantly earlier than in previous seasons and allowing the fruit to be made available for the Chinese New Year holiday.

This year Munch'n kiwiberries will be available in New Zealand, Australia, Malaysia, Japan, Thailand, Indonesia, Singapore, Hong Kong and Taiwan. [Full article available here](#)

2.10. Early signs positive for NZ apples

After the 2017 harvest failed to live up to initial expectations, New Zealand apple exporters are relishing the prospect of a full crop to market this year. A wet winter, followed by favourable conditions during flowering has made for a solid fruit set. With a dry, warm summer and plenty of new plantings coming on stream, growers and suppliers are confident of delivering their best crop for several years.

Fruit maturity is tracking ahead of last season, with sales programmes set to get underway in early February. Exporters don't expect to encounter a backlog of Northern Hemisphere fruit in key export markets, following a challenging North American growing season, which saw late harvesting and cold snaps affect volumes. Europe also suffered large crop losses with wide-spread hail damage across France and Italy. [Full article available here](#)



3. International news

Comment

3.1. 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:

- a) **Chile Food and Agricultural Import Regulations and Standards - Narrative** This report provides an overview of the Chilean Food Law currently in force. [Food and Agricultural Import Regulations and Standards - Narrative Santiago Chile 1-4-2018](#)
- b) **China Market Opportunities for Key U.S. Products in South China** South China offers a huge and growing market for U.S. agricultural exports. Overall South China imports of agricultural, fishery and forestry products reached a new record in 2017, surpassing \$42 billion. [Market Opportunities for Key U.S. Products in South China Guangzhou China - Peoples Republic of 2-1-2018](#)
- c) **Colombia Food and Agricultural Import Regulations and Standards – Narrative** This report is an annual update of the food import standards and enforcement mechanisms in Colombia. [Food and Agricultural Import Regulations and Standards - Narrative Bogota Colombia 12-28-2017](#)
- d) **France Food and Agricultural Import Regulations and Standards - Certification** France as a member of the European Community has implemented EU regulations for the import of animal and plant products. [Food and Agricultural Import Regulations and Standards - Certification Paris France 25-01-2018](#)
- e) **France Food and Agricultural Import Regulations and Standards – Narrative** [Food and Agricultural Import Regulations and Standards - Narrative Paris France 23-01-2018](#)
- f) **Japan Food and Agricultural Import Regulations and Standards – Narrative** This report is an overview of Japan’s general legal and technical requirements for food and agricultural imports. All sections of this report have been updated, [Food and Agricultural Import Regulations and Standards - Narrative Tokyo Japan 12-15-2017](#)
- g) **Lithuania Food and Agricultural Import Regulations and Standards – Narrative** Since its 2004 European Union (EU) accession, Lithuania made regulatory changes in an

effort to harmonize its national laws with EU food and agricultural regulations and standards. [Food and Agricultural Import Regulations and Standards - Narrative Warsaw Lithuania 1-24-2018](#)

- h) **Senegal Food and Agricultural Import Regulations and Standards – Certification**
This report is a reissuance of the 2016 FAIRS export certificate report. [Food and Agricultural Import Regulations and Standards - Certification Dakar Senegal 1-3-2018](#)
- i) **Senegal Food and Agricultural Import Regulations and Standards – Narrative** This report is an annual update of Senegal’s food and feed regulations and governmental regulatory bodies and enforcement mechanisms. It provides guidance on import procedures and documentation. [Food and Agricultural Import Regulations and Standards - Narrative Dakar Senegal 1-2-2018](#)
- j) **Venezuela Food and Agricultural Import Regulations and Standards - Narrative** This report is an annual update of the agricultural product import standards and enforcement mechanisms in Venezuela for U.S. exporters of agricultural commodities, foods and beverages. Venezuela remains a complicated destination for exporting agricultural products, but opportunities exist. [Food and Agricultural Import Regulations and Standards - Narrative Caracas Venezuela 12-26-2017](#)

Regulatory

3.2. Mediterranean Fruit fly outbreak declared in Adelaide

Mediterranean fruit fly doesn't exist in South Australia and can only be brought into the state from infested fruit originating from Western Australia but it has recently been found in Adelaide. A 1.5km outbreak area has been established around the detection point and quarantine restrictions apply. It is the first time since the 2013-14 season that both Mediterranean and Queensland fruit fly outbreaks have occurred. In the Adelaide area For more information, including detailed maps of outbreak areas, the quarantine zone and Suspension Area are available at www.pir.sa.gov.au/fruitfly [Full article available here](#)

3.3. Tasmania: Authorities seize produce taken outside exclusion zones

Biosecurity Tasmania has seized up to 40 kilograms of fruit which was taken out of the fruit fly control zone in Tasmania's north-west. Nick Hansen from Fruit Growers Tasmania said officers confiscated the pest host fruit. "This was produce that was either grown in the control zone or had travelled through the control zone in an uncertified manner," he said. "As I understand it, this fruit was secured, the people were spoken to, and ... there were no fines issued."

[ABC Net](#) quoted a Biosecurity spokesman as saying officers would continue conducting inspections of markets and roadside fruit stalls. "These restrictions are in place to reduce the risk of fruit fly being transported outside the Spreyton control area. "Last week officers also seized five kilograms of fruit

and vegetables from a passenger flying into Tasmania from Flinders Island. The entire island is subject to an exclusion zone and produce cannot be moved outside it. The maximum penalty is a \$15,900 fine. Also last week, the government announced it was ramping up measures to prevent the spread of fruit fly across Tasmania. [Full article available here](#)

Business

3.4. How China is working to feed growing domestic demand

A national geographic article that shows how quickly China's agriculture and horticulture is adopting the best of western technologies and is scaling up to feed its own population. [Full article available here](#)

3.5. China: Cherry market analysis

China is already the largest importer of cherries, and this market is growing annually by 20%. Cherry exporters have set their sights on the Chinese market, including Chile, The United States, Australia, New Zealand, Turkey, and Canada. Chile takes advantage of superior conditions in the southern hemisphere. More than 80% of their cherry export arrives in China. As the import volume increases every year, so does the price decrease. Most prices are between 20 yuan [3.18 USD] and 30 yuan [4.77 USD] per 0.5 kg.

Cherries from New Zealand stand out among imported cherries for their high quality. Cherry import is lively, but in the last week of January the domestic production of large cherries also reached consumers. This is 20 days early compared to the previous year. Whether the cherries are imported or domestic, the only way to attract attention from cherry merchants and consumers is with high-standard quality, comprehensive and refrigerated express transport, and reasonable, safe packaging. [Full article available here](#)

3.6. China: Shenzhen port returns 17 tons of Chilean cherries

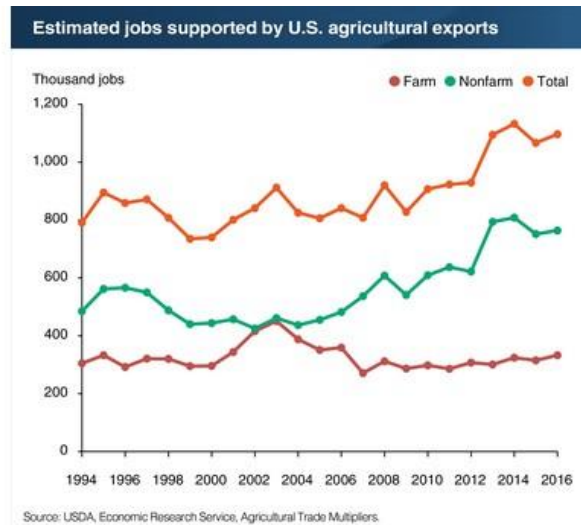
A shipment of 17.7 tons was rejected at the border by China after on-site tests discovered that the cherries showed signs of going soft, leaking, and mildew. This was regarded as a gross violation of hygiene standards. The consignment was returned to Chile [Full article available here](#)

3.7. UK: Bar codes to disappear from supermarket goods within 5 years

Bar codes will disappear from supermarket goods in as little as five years, experts have predicted, as international retailers with UK branches are in talks to adopt new technology for tills. New "invisible" bar codes printed over the entire surface area of packs are replacing traditional black straight line bar codes in the US, and are set to make their way to the UK. Digimarc, a US firm which provides invisible bar codes, said they will come to Britain as early as this year. [Full article available here](#)

3.8. US: Ag exports support growing number of jobs outside farming

The USDA Economic research service estimates that every \$1 billion of U.S. agricultural exports in 2016 required approximately 8,100 American jobs throughout the economy.



This chart appears in the ERS data product, [Agricultural Trade Multipliers](#), updated in January 2018.

3.9. Global fruit sector mapped

The Rabobank [World Fruit Map 2018](#) literally maps the most important international trade flows. Globally, the market for fresh unprocessed fruit has grown by almost 4 per cent on average in volume in the past decade. While that growth in relatively mature markets in the EU and North America was about 1 per cent, the rest of the world experienced a much stronger growth, mostly due to a higher population and prosperity growth.



Consumers increasingly prefer 'more expensive' fruit Rabobank expects that the market value of fresh fruit will grow quicker than market volume in the EU in coming years. This is because of a shift of consumer preferences for 'more expensive' fruit.

Social media The popularity of avocados and mangoes is partially thanks to the availability of ready-to-eat products in Europe. Social media appear to play an ever more important part in consumer's choices. Blueberries and avocados have built themselves an image of 'super foods' in no time, and are therefore 'extra healthy' in the eyes of consumers. The global trade in these products has tripled in the past decade.

Organic fruit In recent years, the organic fruit segment experienced a considerable market growth globally.

International trade Globally, the production of fruit is rising by more than 2 per cent per year on average, while the trade in fruit rose by 7 per cent per year. The global trade in fruit is increasing more quickly than production. Currently, about 9 per cent of the fruit grown globally is traded internationally. Rabobank expects that trade will continue to grow considerably.

Fruit more often processed than vegetables The three largest fruit producing countries are China, India and Brazil, combined they are good for 48 per cent of global production. The rising popularity of soft fruit in particular, including blueberries and raspberries, has contributed to a globally growing consumption of and trade in frozen fruit.

A look at the future The Rabobank expects that the global trade in fruit will continue to grow. This has multiple causes. For example, the population and prosperity increase in large parts of the world, the growing, year-round demand for 'new,' better and different products that can't be grown in the consumers' own country. Besides, production methods, cold supply chains, storage, packing and transport are becoming ever-more sustainable, so that globalisation becomes obvious. Possible threats for international trade are diseases that could erupt on a large scale, such as fungus diseases in the production of bananas, and trade restrictions due to, for example, political tensions.

[Full article available here](#)

3.10. China: Fresh food e-commerce booming

Data from consulting firm iResearch shows China's fresh food e-commerce industry grew by 59.7% in 2017 to 139.1 billion yuan (22.1 billion U.S. dollars). Among foods purchased online, fruit is the most frequently bought. Dairy products and vegetables ranked second and third, respectively.

[Xinhuanet.com](#) reports that logistics account for a large part of the cost for fresh food e-commerce businesses. The report found that 30.7% of customers hoped to receive their goods within several hours, while 28.8% hoped delivery times could be shortened to between 30 and 60 minutes.

[Full article available here](#)

3.11. JD.com opens Australia New Zealand office

China's largest retailer, JD.com, has opened a local office in Australia's city of Melbourne. The move will help the company bring more imports from both countries into China. JD.com already have staff on the ground at their new headquarters, in Melbourne's CBD, who will help the company offer Australian and New Zealand brands and retailers access to its 266.3m active users.

"Australian and New Zealand brands are in strong demand on JD.com, especially in the categories of food, agriculture, dairy and cosmetics," [Full article available here](#)



Floral News

3.12. Floral and plant style trends of 2018

A report has been released in which international trend watcher Aafje Nijman and international floral designer Joan Stam, to bring you three key trends for. [Click here for more information on the trends.](#)



Innovation

3.13. Ozone treatment reduces rot

Citrus fruits have a tissue pH below 4 and are therefore heavily subjected to fungal attacks during the post-harvest phase. *Penicillium italicum* and *P. digitatum* represent the most common and serious causes of alteration during both storage and distribution.

Research in Spain shows ozone application did not damage the quality of the fruit "The study also showed that continuous and intermittent ozone delayed decay as well as the incidence of oleocellosis, slowed down the colouring process and reduced loss of firmness and weight. [Full article available here](#)

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