

**PMAC weekly update 7th to 14th March**

1. **Government agencies**: ICPR Changes WTO and TBT Notifications, Report on New Zealand as a premium producer, Country Perceptions Programme: Agri Deep Dive
2. **New Zealand News:**  'Unviable to grow produce' in NZ: Farmers blame rising cost of energy, rates, wages, audits, Commerce Commission Grocery Sector Market Study Report Released, NZ fruit and vegetable industry supports Commerce Commission’s supermarket recommendations, Clear justification for change in grocery sector - Commerce and Consumer Affairs Minister, Kiwifruit bonanza for councils is ‘rates grab’ to growers, Gold kiwifruit orchard sets new price record at $2 million per hectare, NZ kiwifruit sector prepares for another uncertain season, NZ apple crop expected to be up on last year, labour remains a concern, Growing demand for Dazzle, Can orchards survive with no international workers, Strong local market holds the line for NZ spuds, Summerfruit harvest finished, NZ feijoa growers continue to rely on domestic market, South Canterbury apple orchard's plea for pickers answered unexpectedly, Watermelon grower hits the sweet spot, Fruits and vegetables drive up annual food prices, Ecolibrium Biologicals receives EPA registration for horticulture pest control.
3. **International news:** GAIN reports; First meeting of the European Food Security Crisis preparedness and response Mechanism held, Brussels calls for unified action on food security, Fruit and vegetables seek new perspectives for the European fresh produce sector in time of geopolitical turmoil, SHAFFE Trade congress to look at challenges, Asia Fruit Logistica heads to Bangkok in 2022, The importance of value and trust, JD figures in China show higher demand for imported fruits and fresh produce, Ethical investors offer to finance construction of vertical farm in Suffolk, UK, Protein-rich crops research looks at growing soybean in vertical farms, Research to identify best varieties for CEA and reduce disease pressures, Study on the perception of CEA among local food consumers, Interstellar Lab raises $5M to build closed-loop systems in space and on Earth, Solar Greenhouse produces both food and energy, Ukraine crisis could alleviate reefer capacity shortages, Do crops take up medicines from water?

**Comment**

This week’s update contains articles on a range of significant issues. Recently articles have moved away from the mix that we have seen dominate over the last year (centred around freight , lack of labour and sustainability initiatives) to quite a different mix of articles. The domestic articles of most interest to me this week include one on the recommendations in the recently released Commerce Commission’s Grocery Sector Market Study. The second is an article about vegetable growing becoming increasingly unviable because of increasing regulatory requirements and increasing costs. And the last is a very good article about the Gisborne **District Council’s desire to treat kiwifruit licences as rateable land improvements. This is a topic that could potentially have implications for any grower in the country who grows a protected variety of a high value crop. I have provided a summary of this article but for those who are interested it is worth reading the original article.**

The international section also has changed. This week there are two articles about food security in the EU and how the EU should respond to the effects of the invasion of Ukraine. The first provides a summary of the EU Commissions food security task force and the second is Freshfel’s ( European Fresh Produce Association ) analysis of the situation EU producers find themselves in with increased costs, a reduced market, potentially more imports and little opportunity to increase exports. Again well worth while reading the original article.

Early in the week, due to the increasing number of Controlled Environment Agriculture articles and large investments being made into CEA I decided to include this week some representative articles from this area. This is an industry which has been growing strongly for the last two years and in fact one of the articles notes that the EU CEA industry is growing at a rate of 24.6% per annum. There have been articles in the past about the economics of such farms but the number being built continues to increase and seem to have become a favourite with ethical investors ( as can be seen in the 2 articles about new farms in the UK).

I think it will be sometime before CEA could potentially have any effect on our producers, particularly fruit growers. But if you are interested in this area these articles give a taste of work underway and the confidence of the industry. The challenge for CEA is summed up in the article on the public perception of CEA which states: “ Given the price premium at which high-tech CEA products are currently sold, the industry’s expansion will depend in large part on its ability to convince value-oriented food consumers that the products meet the triple-bottom-line of economic, social, and environmental sustainability goals”.

1. **Agency news** 
   1. **ICPR changes**

The ICPR for the USA has been updated with import permit information and additional declarations for Malus domestica and Pyrus pyrifolia

* 1. **WTO and TBT Notifications**

Please find attached the most recent WTO and TBT 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](mailto:Plant.exports@mpi.govt.nz) so that they can potentially make a submission to the notifying country. Changes notified over the last week include:

MRL , Korea, Switzerland revision Canada and USA 

Proposed amendment to grading standards for imported or interprovincial trade in Canada of selected fresh fruit and vegetables 



* 1. **Report on New Zealand as a premium producer**

While New Zealand is in a strong position globally as a provider of premium F&B, research highlights opportunities to raise awareness of New Zealand F&B. *NZTE have recently released a report on a survey undertaken late 2021 about how NZ is perceived in 5 key markets ( Australia, United Kingdom, United States, Japan and China. ) The full report , key messages and suggestions for enhancing our image are available on line* [*See*](https://my.nzte.govt.nz/article2/how-nz-f-and-b-is-perceived-in-5-key-export-markets?utm_source=Email&utm_medium=eNewsletter&utm_campaign=March%2022&utm_content=Made%20With%20Care) *here .*

*Key findings of the report include the following points*

* Awareness of New Zealand as a premium producer varies by market
* Wine is New Zealand’s most recognised F&B product
* New Zealand F&B rated highly for ethical and environmental aspects
* New Zealand and Australian products got similar ratings
  1. [**Country Perceptions Programme: Agri Deep Dive**](https://mail.nzstory.govt.nz/mail/link/q8c5Esd31n8KdBhfeUAMWw)

Consumer perceptions of the agricultural sector, and expectations of primary producers, is changing – faster than ever. New Zealand, as a country famous for sheep outnumbering people, is affected by this more than others. This pack gives insight into how the world views us and the implications for the stories we need to share with the world. *This presentation provides a lot of details about the perception of New Zealand and how to best leverage those perceptions to improve your profile as a business and the desirability of your product* [Full article available here](https://toolkit.nzstory.govt.nz/asset/609007?utm_source=Email&utm_medium=eNewsletter&utm_campaign=March%2022&utm_content=Agri%20Research)



1. **New Zealand News**

** Commentary**

* 1. **'Unviable to grow produce' in NZ: Farmers blame rising cost of energy, rates, wages, audits**

Increasing costs are putting a huge strain on vegetable growers, with some considering hanging up their tools. Energy costs have almost doubled in the past year, the minimum wage has gone up and the price of on-farm audits are rising - making growing vegetables more expensive.

NZ Gourmet director of production Roelf Schreuder said the business needed to have audits for certification, water quality, chemical storage and health and safety, just to name a few. "For certification for NZ Gap and Global Gap they come a couple of times a year and charge about $240 an hour to sit down and check the books, so growers are having to spend more time and money preparing for them as well as paying for the actual audit - it's a big cost. "Then there's other things like building code of compliance that has to be certified every year so that's another audit, then you have HSNO for the storage of chemicals, you get an audit for that as well, so it all adds up."

Schreuder respected everything needed to be kept in order but said regulations should all come under one umbrella to make it easier for growers. Schreuder said he had spoken to a lot of growers and many were thinking of getting out of the game this year because it was not feasible to grow vegetables. "Increasing rates bills are another problem, some of the key growing regions around Pukekohe and on the outskirts of Christchurch are deemed urban which means the rates are high. I think we will see a lot more growing land being sold to developers.

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Growers are doing everything they can to be as efficient as possible but if increases keep coming there's only so efficient you can be. "The pandemic had shown the importance of growing food here because imported produce was more expensive and harder to source. [Full article available here](https://www.rnz.co.nz/news/country/463086/unviable-to-grow-produce-in-nz-farmers-blame-rising-cost-of-energy-rates-wages-audits)

* 1. **Commerce Commission Grocery Sector Market Study Report Released**

The Commerce Commission released its final report into the Grocery Sector last week and held a media and stakeholders briefing that United Fresh attended.  
   
The key finding of the report: was that Competition in the retail grocery sector is not working well for consumers (this key finding is unchanged from the interim report)

Summary of Recommendations  
Recommendation’s to improve conditions for entry and expansion include   
1: Improve the availability of sites for retail grocery stores under planning law   
2: Prohibit restrictive and exclusive covenants that inhibit retail grocery store development, and monitor land banking by the major grocery retailers   
3: Require the major grocery retailers to consider requests for wholesale supply in good faith, and meet associated disclosure obligations   
4: The next reviews of the Overseas Investment Act and Sale and Supply of Alcohol Act should consider whether they unduly impede entry or expansion by grocery retailers   
5: Monitor strategic conduct that affects the conditions of entry or expansion.   
   
Recommendations to improve competition for the acquisition of groceries   
6: Introduce a mandatory grocery code of conduct to govern relationships between the major grocery retailers and their suppliers   
7: Consider a statutory authorisation or exception for collective bargaining by grocery suppliers   
8: Amend the Fair Trading Act to strengthen the business-to-business unfair contract terms regime.  
   
Recommendations to improve the ability of consumers to make informed decisions   
9: The major grocery retailers should ensure their pricing and promotional practices are simple and easy to understand   
10: Mandate the consistent display of unit pricing   
11: The major grocery retailers should ensure disclosure relating to   
loyalty programmes and data collection and use practices is clear and transparent   
12: The major grocery retailers should co-operate with price comparison services.   
   
Other recommendations:  
13: Establish a grocery regulator and dispute resolution scheme   
14: Review the state of competition in the grocery sector three years after implementation of our recommendations, and collect information in the interim to support this review.   
[You will find the full report here.](https://5aday.us20.list-manage.com/track/click?u=6da879b6faf5dc2e07794a680&id=1951a5e6a5&e=0ff94fdc1c)

* 1. **NZ fruit and vegetable industry supports Commerce Commission’s supermarket recommendations**

*Hort NZ’s media releasing confirming support for the report* [Full article available here](https://www.hortidaily.com/article/9407489/nz-fruit-and-vegetable-industry-supports-commerce-commission-s-supermarket-recommendations/)

* 1. **Clear justification for change in grocery sector - Commerce and Consumer Affairs Minister**

*Commerce and Consumer Affairs Minister David Clark’s media releases states* the Government will *immediately progress its work to address the recommendations.* [Full article available here](https://www.stuff.co.nz/business/300535023/clear-justification-for-change-in-grocery-sector--commerce-and-consumer-affairs-minister)

* 1. **Kiwifruit bonanza for councils is ‘rates grab’ to growers**

**Gisborne District Council’s attempt to treat kiwifruit licences as rateable land improvements may have wide-reaching affects on other businesses.**

*This article starts with an example of one kiwifruit grower (Tim Tietjen )* *whose rates bill will double because the licence doubles the value of his land* *others saw their bills triple..* There had been little consultation with affected farmers, and although the council had prepared a report in 2020 and got the changes signed off by the valuer general, the information was buried on pages 116-119 of the chunky document. It wasn’t even mentioned in the introduction to that report.

“Kiwifruit is going through a boom time, which is why I think the council was maybe targeting kiwifruit growers,” Tietjen told Newsroom. “We can’t say we can’t afford it, but it makes things tougher. And kiwifruit is a risky business.” E.g. the effects of PSA and Covid-related labour shortages. And the Zespri licences aren't easy to get – or cheap. The licences are allocated using a competitive tender process and the average price has been half a million dollars per 'canopy hectare' over the last few years.

Gisborne is a small producer of kiwifruit , with only about 60 growers out of a total of 2800 in the country; the vast majority (81 percent) are in the Bay of Plenty. Tietjen’s rates would go up almost $4000 a year. Replicated across the other 99.95 percent of growers and it’s possible councils could reap an additional $8 million in rates from the kiwifruit sector.

“Gisborne was the first council trying to attach the value of the Zespri licence to the value of the land,” Bond says. “But we were aware of other councils looking on with interest to the outcome.” NZKGI decided to take the council to court over the new ratings calculations, and as its representative for Gisborne, Tietjen and his family company Bushmere Trust put his name on a case taken to the Land Valuation Tribunal and now to the High Court.

The council argued the SunGold and other kiwifruit licences that growers might buy from Zespri – red kiwifruit is the most recent – are “inherent and fundamental” to the capital value of the land being rated.

“The addition of the licence unlocks the value and potential of any given property,” the council’s report says. “The licence is ‘work done on or for the benefit of the land by the expenditure of capital’. The licence ‘attaches’ and is complementary to the other improvements as defined under the Ratings Valuations Act.” Other improvements could include kiwifruit plantings, irrigation, fencing, drainage, and shelter belt trees, Tietjen says, and that’s fine. Kiwifruit growers have no problem them being part of the rating valuation.

But they argue the Zespri licence is quite different. “The licence is personal to the grower, not fixed to the land. A lot of people use a separate legal entity which owns the licence, separate to the landowner,” he says.If a grower sells their property, they sell the rootstock, the irrigation systems and the fencing, but the licence goes back to Zespri, which then issues a new licence to the new owner.In the same way that tractors or harvesters aren’t included as part of the rateable value of land, so licences shouldn’t be included either, Tietjen says.

[The Land Valuation Tribunal agreed,](http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZLVT/2022/2.html?query=bushmere) ruling the rateable value for Bushmere Trust should be set at $2.8 million, not the $4.1 million the council wanted. The decision means the same calculation – not including the Zespri G3 or other licences in land valuation – will apply to other Gisborne growers.

Gisborne District Council doesn’t agree, and has appealed the tribunal’s decision.  That’s potentially bad news, not just for kiwifruit growers. “A licence is a purchase of intellectual property, as with a whole range of licences where businesses have the right to the use or make of a product,” lawyers for Bushmere and the kiwifruit growers argued. “This includes other fruit licences such as avocado and apples or in fact many other businesses that utilise the land for a number of purposes that include marketing rights or licences." This might be water rights, or franchise agreements. If Gisborne District Council is successful, councils could well widen the net.

“The decision to appeal comes on the advice and support of the Valuer-General, who considers that the Land Valuation Tribunal’s decision is inconsistent with past case law decisions and the Rating Valuations Act 1998 requirement to value established vines as improvements. “Removal of the gold kiwifruit vine value due to the existence of a licence creates an inequitable outcome for ratepayers, unfairly reducing the rating valuation and rates burden for some property owners and increasing the rates burden for others..”The Valuer-General will bear the full cost of the appeal, the council says. [Full article available here](https://www.newsroom.co.nz/business/kiwifruit-bonanza-for-councils-is-rates-grab-to-growers)



* 1. **Gold kiwifruit orchard sets new price record at $2 million per hectare**

A recent gold kiwifruit orchard sold for a new price record of $2 million per hectare, less than five years after the first $1 million per hectare sale was recorded in Bay of Plenty. Five kiwifruit orchards in Te Puke, planted in both green and gold varieties, were offered for sale in February. All five were sold to a partnership of established growers for $36.7 million, equivalent to $2 million per canopy hectare for the land planted in gold vines. [Full article available here](https://www.freshplaza.com/article/9407447/gold-kiwifruit-orchard-sets-new-price-record-at-2-million-per-hectare/)

* 1. **NZ kiwifruit sector prepares for another uncertain season**

New Zealand’s kiwifruit sector is facing an uphill battle ahead of their busiest time of the year. The threat of Covid-19 and severe staff shortages are already hampering efforts to get another record crop to market. According to Zespri – the world’s largest marketer of kiwifruit – the shortfall compared to this time last year is around 20 per cent. However, looking in the halls of post-harvest operators that pack the fruit, who are now in full recruitment mode ahead of this year’s main season in the Eastern and Western Bay of Plenty, and that number is considerably higher, with one source suggesting they are 65 per cent down. [Full article available here](https://www.freshplaza.com/article/9407841/nz-kiwifruit-sector-prepares-for-another-uncertain-season/)

* 1. **NZ apple crop expected to be up on last year, labour remains a concern**

The New Zealand apple harvest got off to a slightly later start compared to the past few seasons for the early harvested varieties, bit the later varieties appear to be similar in timing. "Volumes of newer varieties are up and the traditional older types are down as the industry continues to transition to newer cultivars," explained Terry meikle, CEO of NZ Apples and Pears. "Overall size is similar to the last few years."

"We expect the potential crop to be up on last year but with no backpackers workers we are relying on our Pacific Island RSE workers. They have been amazing over the past few years and we owe them so much gratitude. "New Zealand growers are trying to mitigate the labour shortages by moving faster to automation and planting orchards that are more effectively harvested through augmentations systems such as platforms and we have got our RSE migrant worker programme with the Pacific back up to its pre COVID number." [Full article available here](https://www.freshplaza.com/article/9408654/new-zealand-apple-crop-expected-to-be-up-on-last-year-labour-remains-a-concern/)

* 1. **Growing demand for Dazzle**

Demand for Dazzle apples continues to outpace supply as production of the branded variety spreads beyond New Zealand. This year’s Dazzle crop is expected to double from last season, with 600,000 cartons to be marketed in 2022 and there is good demand from consumers and customers in Vietnam, China and Indonesia. Dazzle will be sold be eight New Zealand exporters this season – Freshmax Group, Bostock New Zealand, Mr Apple, RD8, Golden Bay Fruit, PickMee and Taylor, with additional exports to Japan by Aozora New Zealand. Production of Dazzle is spreading beyond New Zealand, with the variety being planted in the US by Chelan Fresh and Gebbers Farms. “We hope to have European licensees appointed shortly, and in due course will be looking to expand production into other territories,” Potbury said. [Full article available here](http://www.fruitnet.com/asiafruit/article/187733/growing-demand-for-dazzle)

* 1. **Can orchards survive with no international workers**

<https://www.tvnz.co.nz/shows/seven-sharp/clips/can-orchards-survive-with-no-international-workers>

* 1. **Strong local market holds the line for NZ spuds**

In its latest annual report, PNZ chief executive Chris Claridge says the NZ potato sector now has an overall value of $1.16 billion - with 58% growth in domestic value since 2013. "This is a pleasing result, as we have achieved our target of a 50% increase in domestic value, 4 years early," he says. "It took us just 7 years to increase 50% rather than the 12 years planned for." Claridge points out that 67% of this NZ crop is processed and says this is the reason the industry's value has rapidly risen in value.

However, he adds that growers saw a 5% decrease in farmgate value over the 2020 year and, despite a drop in the crop produced, there was still a rise in value across both export and domestic markets.

He adds that the export market has been affected by global disruption to supply chains due to the pandemic, resulting in a 17% drop in NZ exports to the end of December 2020."Suspected dumping by foreign firms in our export markets and overseas lockdowns reducing global consumer demand have also played their part in leaving our export value lower than we'd targeted." Claridge says a key takeaway from 2020 is that a strong domestic market underpins NZ's potato industry. [Full article available here](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/strong-local-market-holds-the-line-for-nz-spuds)

* 1. **Summerfruit harvest finished**

Central Otago cherry orchardist Tim Jones describes the just completed summer fruit harvest as very challenging - fruit quality was good but the Covid pandemic posed challenges. "We had obviously labour challenges, we had logistical challenges with the lack of airfreight capacity out of the country," he told Hort News. "But we finished packing last week (early Feb) and, at this stage, we've had a reasonably successful season. "Jones says they have to thank the many young New Zealanders - school and university students - who came to the region to help pick the fruit. He says their sales and marketing team also have worked really hard on the logistics challenge.

Jones said it was a matter of working with the airlines that were able to provide freight-only planes.

"It's been basically an eight-month challenge to ensure that we had enough relationships in place and

Summerfruit NZ chief executive Kate Hellstrom adds that cherry growers got through the season without any major weather events like the storms that effectively cut last season short. Cherry exports for the year to date stood at 3.1 million kg compared to 2.5 million kg at this time last year.

Cherry exports for the year to date stood at 3.1 million kg compared to 2.5 million kg at this time last year. However, she says while growers managed to get their fruit off the trees they certainly didn’t have the labour supply that they would have liked and quality will have suffered. [Full article available here](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/summerfruit-harvest-finished)

* 1. **NZ feijoa growers continue to rely on domestic market**

The feijoa season is now underway and high freight costs mean that orchardists are focused selling their produce to the domestic market. The first of this season's fruit is landing on many supermarket's shelves this week after picking of early varieties kicked off late last month. Kaiponi Farms in Gisborne is New Zealand's largest feijoa grower and packer and expected volumes similar to be similar to last season. Southern Belle Orchard in Matamata, about half of their fruit was exported to the likes of the US pre-Covid, but the last two years extremely high freight costs meant all of their produce had stayed in New Zealand. He said they would be attempting to send some fruit overseas this year, but it was hard to tell how that would go and there would still be more of a reliance on the domestic market.

[Full article available here](https://www.freshplaza.com/article/9407444/nz-feijoa-growers-continue-to-rely-on-domestic-market/)

While the Covid-19 pandemic has presented challenges around picking and packing fruit over the last few seasons, Turk was hopeful there would be minimal disruption to this season’s harvest.

“Most orchards are small enough to not struggle too much with labour shortages and growers are encouraged that food production has been named as an essential category,” Turk said. [Full article available here](http://www.fruitnet.com/asiafruit/article/187744/nz-feijoa-crop-shapes-up-well)

* 1. **South Canterbury apple orchard's plea for pickers answered unexpectedly**

A plea by a South Canterbury orchard for pickers to help it through the peak of picking season has received an unanticipated positive response. According to manager James Anderson from the Waipopo Orchards partnership, they issued a plea to other businesses to help them find staff after fears they could lose part of their crop. A shortage of overseas workers had combined to create a concerning reality for orchardists as they approach peak harvest time.

Having filled just under half of the 100-plus openings required to get the job done, Waipopo Orchards sent a plea out to the business community via the South Canterbury Chamber of Commerce. The company asked other businesses to offer up staff to help them harvest apples in a letter sent via the South Canterbury Chamber of Commerce and had signed up 40 seasonal workers and on Tuesday another 35 were inducted. “We’ve had a great response from the general community and groups like Federated Farmers. But we’re not out of the woods, yet. [Full article available here](https://www.freshplaza.com/article/9407452/south-canterbury-orchard-s-plea-for-pickers-answered-unexpectedly/)

* 1. **Watermelon grower hits the sweet spot**

Isikeli Maka from Tonga has established a watermelon-growing operation in the East Coast region of Gisborne. Despite a turbulent start, Isikeli’s half-century of experience produced a fast and furious season – 10,000 plants were in the ground by the end of October; the harvest started on 24 January and in the second week of February they were done.

Most of Isikeli's crop is sold direct to consumers, with fanau (family) coming from around the country to help with the three weeks of harvest and sales. And for the first year they operated under the newly-formed Isikeli Maka and Fanau Trust (IMFT) which was established to formalise the operation. [Click here to read the full press release.](https://www.hortnz.co.nz/news-events-and-media/media-releases/watermelon-grower-hits-the-sweet-spot/) [Full article available here](https://www.freshplaza.com/article/9407827/watermelon-grower-hits-the-sweet-spot/)

** Bits and pieces**

* 1. **Fruits and vegetables drive up annual food prices**

Annual food prices rose 6.8 percent in February 2022 compared with February 2021, Stats NZ said today. This was the largest annual increase since July 2011 when prices increased 7.9 percent.

In February 2022 compared with February 2021 fruit and vegetable prices increased by 17 percent. All other category increases were less than 7.2%

After removing regular seasonal impacts, food prices rose 0.4 percent in February 2022. “Fruit and vegetables were the main contributor to the fall in February, down 0.7 percent,” Mr Crowe said. “This was mainly influenced by lower prices for tomatoes, apples, and potatoes.” [Full article available here](https://www.freshplaza.com/article/9408730/fruits-and-vegetables-drive-up-annual-food-prices/)

* 1. **Ecolibrium Biologicals receives EPA registration for horticulture pest control**

Ecolibrium Biologicals has received EPA registration for Lateral approval code HSR101524 in New Zealand, the first registration of a Brevibacillus laterosporus globally for control of lepidopteran pests. Lateral WDG is a biopesticide containing the active ingredient Brevibacillus laterosporus strain 1951, It can be used for ground-based application methods for the control of lepidopteran pests on vegetables, fodder crops, top fruit, and berry fruits. [Full article available here](https://www.hortidaily.com/article/9407513/nz-ecolibrium-biologicals-receives-epa-registration-for-horticulture-pest-control/)



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. To see the full report, click on the link in each notification This week see:

1. Ahmedabad - Emerging City of Opportunity in Western India [Ahmedabad - Emerging City of Opportunity in Western India\_Mumbai\_India\_IN2022-0021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Ahmedabad%20-%20Emerging%20City%20of%20Opportunity%20in%20Western%20India_Mumbai_India_IN2022-0021)
2. Israel Passes Amendments to Ease Food Imports- [Israel Passes Amendments to Ease Food Imports- Updates\_Tel Aviv\_Israel\_IS2022-0001](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Israel%20Passes%20Amendments%20to%20Ease%20Food%20Imports-%20Updates_Tel%20Aviv_Israel_IS2022-0001)

 **Regulatory**

* 1. **First meeting of the European Food Security Crisis preparedness and response Mechanism held**

The European Commission has held the first meeting of the newly established [*European food security crisis preparedness and response mechanism (EFSCM)*](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/contingency-plan_en) to discuss the food security impact of the energy and input price increase and impact of the war in Ukraine. [*Composed of*](https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3829) national experts of EU and neighbouring non-EU countries, as well as representatives of farmers and fishers, food processors, traders, retailers, consumers, food banks, food transportation services, logistics and infrastructure, inputs and packaging industries, this group follows on the [*contingency plan for food supply and food security in times of crisis*](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_5903) adopted in November 2021 under the Farm to Fork Strategy. More information on the contingency plan for ensuring food supply and food security is [**available online**](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/contingency-plan_en). [Full article available here](https://www.eureporter.co/politics/european-commission/2022/03/10/commission-holds-first-meeting-of-the-european-food-security-crisis-preparedness-and-response-mechanism/)

* 1. **Brussels calls for unified action on food security**

**T**he European Commission EC is urging member states to avoid “uncoordinated” measures that could disrupt agri-food markets as they try to manage the impact of the war in Ukraine.

The request was made at the first meeting of the European Mechanism for Preparedness and Response to a Food Security Crisis on Tuesday. The meeting was organised by the commission and brought together representatives from member states and leading food industry groups.

In a reference to unilateral decisions taken by some member states to impose export restrictions in order to stockpile products, Agriculture Commissioner Janusz Wojciechowski warned against “acting too quickly and in an uncoordinated way”.

Stressing that the European Union is not at risk of food shortages, analysts said that the immediate impact of the conflict would be seen in increased prices throughout the supply chain, and disruption to trade flows to and from Ukraine and Russia and its effect on global food security. Russia and Ukraine are key suppliers of products including grain and fertiliser. During the meeting the commission also reaffirmed its commitment to the "From Farm to Fork" strategy, for more sustainable food production and consumption, following rumours that this was under review by Brussels. The group will meet again on 23 March to start work on improving the EU's preparedness for food security crises. [Full article available here](http://www.fruitnet.com/eurofruit/article/187765/brussels-calls-for-unified-action-on-food-security)

 **Business/ Industry**

* 1. **Fruit and vegetables seek new perspectives for the European fresh produce sector in time of geopolitical turmoil**

*In an article from Freshfel it has made the following comments about the current situation.* While the sector demonstrated its resilience during the two years of the Covid-19 pandemic, the moving out of the pandemic situation has led to an unprecedented rise of costs throughout the supply chain, reaching an unsustainable level for the sector. In early January the sector was further hit by the Belarussian embargo, which was a prelude to a devastating war in Europe.

*Freshfel is working with Eu officials on a range of bodies including the food security panel mentioned above*. Freshfel Europe is also actively involved in the newly created global coalition of the lead fresh produce associations around the world to address rising costs and disrupted supply chain.In the past months, as the economy was resuming after the pandemic, the rising costs of production input, energy and logistics were becoming a priority concern and seriously impacting the competitiveness of production. This is one of the dominating concerns, considering that more increases are still expected in the coming months with the war outbreak with further rises expected namely for energy and fertilizers.

Freshfel Europe has estimated that the rising costs for production increased in the last year by up to 0,1 € cents per kg. This estimation includes a wide range of increases of production input (plant protection products, fertilizers), but also pallets, transport and consumer packaging, infrastructure costs, labour and consultancy services, banks and insurance costs. For the fresh fruit and vegetables sector, the combined effects of these increases represent an additional cost of close to 10 billion € per year. With the total logistics additional charge of close to 4 billion € for the European fresh produce sector. This does not include other collateral logistics consequences of delays or merely the lack of availability of containers leading to missed businesses opportunities”.

On the trade side, Freshfel Europe analysis recalls that during the last decade, the fruit and vegetables sector has been repeatedly the hostage of the consequences of geopolitical disputes. The most important destinations in the EU neighbourhood were one by one suspended: Russia in 2014, Algeria in 2016, Belarus in January 2022 and now Ukraine in February 2022. “For fruit and vegetables it is more than 3 billion € of business that is at stake every year under these embargos, a turnover that need to be repositioned. Today, while the consequences of the Russian embargo are not yet fully absorbed, the situation is further exacerbated by the new developments. Given the long-term investments in orchards and market access protectionism by many countries, the challenge of repositioning production in new market outlets is complex, timely and costly.”

Freshfel Europe analysis demonstrates that as the EU fresh produce sector absorb the major burden or these embargos, several destinations including allies in this geopolitical instability such as USA, Japan, Australia, South Korea, Turkey, or Peru , including countries which enjoy with the EU Free Trade Agreement remain hermetically closed for European fresh produce, while access to destinations such as Mexico or Chile remains very limited and under excessive conditions. India and Southeast Asia remain markets with some perspective for growth, despite sometimes discriminatory market access conditions such as the Vietnamese cold treatment requirements.

The new SPS rules for Great Britain on 1st July remain a point of concern as well with the upcoming introduction of phyto control combined with reluctance of the European Commission to remove the redundant marketing standard certificate. Beyond market access, the export outlook for all

“While the EU supply was already banned almost 10 years ago in Russia, then in Belarus and Ukraine, those countries still imported annually about 8 to 9 Mio T of fruit and vegetables. With the introduction of sanctions and banking restrictions as well as the suspension of traffic by larger container carries, it will probably almost cancel most of the international fresh produce business with these regions. There is therefore a significant concern of volume re-routing to Europe, initially planned for these Eastern destinations.”

From a Freshfel Europe perspective and in the interest of market stability and rewarding prices, it will be important that volumes arriving into the EU should be those traditionally planned for the European quality specifications for the markets destined for well-established business relations. Produce destined to the European market should go to identified market recipients with products grown and labelled in compliance with EU safety and quality expectations and customer requirements. Given the rising costs of production input and logistics, no-one can sustain market instability due to oversupply and declining prices resulting from re-routing.

The past few months this has already translated into a drastic slowdown of fresh produce consumption across Europe. In some Member States, the consumption is already showing a decline of up to 10%. This is particularly worrying and the debate of the Farm to Fork Strategy was giving expectations to move eating habits towards a more plant diet.” [Full article available here](https://www.freshplaza.com/article/9408318/fruit-and-vegetables-seek-new-perspectives-for-the-european-fresh-produce-sector-in-time-of-geopolitical-turmoil/)

* 1. **SHAFFE Trade congress to look at challenges**

SHAFFE, the Southern Hemisphere Association for Fresh Fruit Exporters will be hosting the 2nd Southern Hemisphere Fresh Fruit Trade Congress 2022 which will take place on the 30th of March 2022 via an online format, with the guiding theme “The new reality of Southern Hemisphere Exports”. The program of the event will explore the rising costs impacting fresh fruit exporters and growers in the region, the opportunities, and challenges in mega markets such as India and China, the current state of play of sustainability requirements in Europe and the US and will outline the Southern Hemisphere season outlook for 2022 / 2023.

Additionally, leading suppliers of key commodities from Australia, Chile, New Zealand and Peru will also review during the online event the current global market situation. Speakers to date include Mr. Ben McLeod, Sales and Marketing Director at Mr Apple New Zealand and Mr. Jason Bosch, General Manager of Origin Direct Asia South Africa, who will share an overview of the current developments in Asia. The program will also include leading trade experts such as Mr. Sumit Saran, Director of SS Associates, expert on the Indian fruit import and retail market and Mr. Kurt Huang, Deputy Secretary General of the Fruit Branch of the China Chamber of Commerce for Food Stuffs and Native Produce, who will be reviewing the characteristics of the Chinese fruit import market.  [Full article available here](https://www.freshplaza.com/article/9408264/rising-costs-logistical-disruptions-sustainability-requirements-and-the-impact-of-the-russia-ukraine-conflict/)

* 1. **Asia Fruit Logistica heads to Bangkok in 2022**

Asia Fruit Logistica is moving to Bangkok for its 2022 edition from its traditional location in Hong Kong and takes place on 2-4 November 2022 in Bangkok

This year’s relocation to Bangkok is not permanent: Thailand is the best place in Asia this year to host an in-person Asia Fruit Logistica because of the strict Covid-entry travel restrictions that remain in force in Hong Kong and China. Asia Fruit Logistica 2022 is as always held alongside Asiafruit Congress.

Thailand resumed its Test and Go programme for fully vaccinated travellers on 1 February 2022. It means international visitors can attend Asia Fruit Logistica easily and conveniently. Under the current Test and Go scheme, fully vaccinated travellers can travel by air from any country in the world and are exempt from quarantine: they must take a Covid-19 test on arrival in a government-approved (SHA+) hotel on Day 1 [or on their date of arrival]. Travellers are free to go if they receive a negative result and take an ATK self-test on Day 5 and report the test result as instructed by the Ministry of Public Health.

[Full article available here](https://www.freshplaza.com/article/9408165/asia-fruit-logistica-heads-to-bangkok-in-2022/)

* 1. **The importance of value and trust**

## As shoppers increasingly seek out products and brands that meet their expectations on social and environmental factors, direct-to-consumer businesses are well placed

According to the Co-op’s Ethical Consumerism Report, which has tracked consumer shopping habits since 1999, British consumers are boycotting brands at record levels due to social or environmental concerns. Brand boycotts on ethical grounds have risen to almost £4bn, up 18 per cent in the year. [Full article available here](http://www.fruitnet.com/eurofruit/article/187753/the-importance-of-value-and-trust)

* 1. **JD figures in China show higher demand for imported fruits and fresh produce**

Fresh produce supplier JD Fresh, an offshoot of e-commerce giant JD in China , has reported rising consumer demand as well as a greater willingness to spend more money on high-quality imported food as the reason. The rising popularity of high-quality imported fruits is attributed to rising incomes as well as growing health awareness among the Chinese population. In the period from January to October 2021, the value of fruits imported into China was 12 billion US dollars. This represents a year-on-year increase of 33.5 per cent, reports the China Chamber of Commerce for Food Import and Export.

In light of the Covid 19 pandemic, JD Fresh has also tightened its controls. Incoming goods can be tracked seamlessly via a QR code, and warehouses are regularly checked for Covid 19 pathogens and thoroughly cleaned and disinfected.  [Full article available here](https://www.freshplaza.com/article/9408772/jd-figures-show-higher-demand-for-imported-fruits-and-fresh-produce/)

 **Indoor production**

* 1. **Ethical investors offer to finance construction of vertical farm in Suffolk, UK**

Abundance Investment has launched an offer to invest in ‘OneFarm’, a company on a mission to transform the way we grow fresh, nutritious and tasty food. The investment, part of a consortium including Suffolk County Council (in partnership with the New Anglia Local Enterprise Partnership), will finance the construction of a leading-edge vertical farm in Suffolk and will provide a range of fresh green produce for local supermarkets, catering and ingredients firms.  OneFarm aims to raise £6.7m from individual investors offering the chance to earn a return of 9% a year for 7 years, eligible for inclusion tax-free in an Innovative Finance ISA.

Food production is one of the biggest and most difficult challenges for decarbonising the UK economy. The food market is driven by changing consumer tastes and demands; indoor vertical farming is well placed to satisfy this need for flexibility whilst reducing the UK’s reliance on imports and freeing up valuable land and resources in the process. Compared with conventional farming, over the whole system One Farm will save energy and reduce wastage due to reduced transport, reduced crop losses from weather and disease, more efficient use of water and extended shelf life of produce. [Full article available here](https://www.verticalfarmdaily.com/article/9407566/ethical-investors-offer-to-finance-construction-of-vertical-farm-in-suffolk-uk/)

* 1. **Recruitment drive for another UK vertical farm**

Fischer Farms, a UK vertical farm, is set to upskill a labor force to create the farmers of the future, ahead of its second site launch later this year. Following a £26m investment from positive impact investors, Gresham House, Fischer Farms is building a highly skilled team of vertical farming experts, with unrivalled experience in green energy and sustainability.

The recruitment drive comes as Fischer Farms prepares to launch a new £25m 4-acre plant in Norfolk this year, which will grow fresh produce via a stacked, biosecure, climate-controlled and fully automated system. With 25,000 m2 of growing space, the site will supply leaf salad (rocket, lettuce etc), leafy herbs (basil) and other fresh produce to UK supermarkets and suppliers every day.With a long term goal of growing soya beans, rice and wheat in significant volumes and at price points that compare favourably to global commodity prices[. Full article available here](https://www.verticalfarmdaily.com/article/9408760/our-long-term-goal-is-to-grow-soya-beans-rice-and-wheat-vertically/)

* 1. **Protein-rich crops research looks at growing soybean in vertical farms**

Not all crops are created equally: some are simply more nutritious than others. What is the best way to grow these crops and how can we make them even more nutritious? The BU Greenhouse Horticulture of Wageningen University & Research investigated the production of protein-rich crops in their Vertical Farm. The production of protein-rich crops in controlled environment agriculture is currently still in its infancy and viable business models have not yet been established. The resulting r*esearch shoed* temperature, light and cultivar all had a statistically significant effect on total yield of beans (g m-2).

For spectral imaging, models were trained on random sets of spectral images containing samples from

[Full article available here](https://www.verticalfarmdaily.com/article/9407393/protein-rich-crops-growing-soybean-in-vertical-farms/)

* 1. **Research to identify best varieties for CEA and reduce disease pressures**

UK based Vertical Future is looking at heritage spinach seeds indoors, they could potentially help to protect the food of the future, improving both the flavour and quality.  Most modern seeds have been extensively bred over the past hundred years for conventional agriculture, to be resistant to air and soil-born disease, thereby reducing crop loss for farmers. As such, many heirloom seeds have fallen out of favour with growers, despite often being better in both taste and yield.

Last month Vertical Future announced a funding round of £21m, the largest ever Series A raise in Europe in the sector that would in part, enable the company to further expand its innovative Research & Development capabilities.

The group are also scaling up and developing a non-chemical seed pre-treatment method, using only air and electricity to kill any fungi or bacteria on the seeds. Zayndu uses cold-plasma technology to sterilize seeds, reducing pathogen contamination and optimizing yield, enabling a more nutritious, vertically farmed crop to be grown that will be free from the threat of disease and the use of agrochemicals.

The EU CEA industry is growing at a rate of 24.6% and is moving growing crops for consumption away from fields to tech-led indoor vertical farms. Growing food indoors, close to the point of consumption often within population centers, significantly reduces food miles, minimizing transport emissions. It also raises consumer awareness of the realities of global agriculture and the growing pressures on our food production and supply chains.  [Full article available here](https://www.verticalfarmdaily.com/article/9407449/putting-flavor-back-on-the-menu-with-research/)

* 1. **Study on the perception of CEA among local food consumers**

In recent years, new forms of high-tech controlled environment agriculture (CEA) have received increased attention and investment. Proponents insist that CEA can produce sustainable, nutritious, and tasty local food, particularly for the cities of the future. At the same time, a variety of critics raise concerns about its environmental impacts and energy use, high startup costs, and consumer accessibility challenges, among other issues. At this stage, however, relatively little research has explored actual consumer knowledge and attitudes related to CEA processes and products.

An article has recently been released , based on the findings from structured interviews with local food consumers in New York City to examine what people know and think about high-tech CEA .From there, it explores the extent to which CEA fits into consumer conceptualizations of what makes for “good food.”

Key findings emphasize that significant gaps in public understanding of CEA remain, that CEA products’ success will depend on the ability of the industry to deliver on its environmental promises and that concerns about “unnatural” aspects of CEA will need to be allayed. Given the price premium at which high-tech CEA products are currently sold, the industry’s expansion will depend in large part on its ability to convince value-oriented food consumers that the products meet the triple-bottom-line of economic, social, and environmental sustainability goals. [Full article available here](https://www.hortidaily.com/article/9406983/study-on-the-perception-of-cea-among-local-food-consumers/)

* 1. **Interstellar Lab raises $5M to build closed-loop systems in space and on Earth**

Interstellar Lab, a Los Angeles and Paris-based tech startup that is developing controlled-environment pods for crop cultivation on Earth and life-support in Space, has raised $5 million in a seed round. . The aim is to provide solutions regarding the current climate crisis and the need for new food production systems on Earth and to develop closed-loop life support systems for lunar missions in the context of NASA’s Artemis Program and in the future for Mars exploration.

Announced in 2020 and after a year of development, Interstellar Lab is now manufacturing its flagship product BioPod, a deployable pod optimized for plant growth. Designed as a modular, controlled-environment aeroponics farm, BioPod creates the ideal climatic and atmospheric conditions for plant growth. Maximizing efficiency and production, BioPod reduces water consumption (by 98%) and energy (x20) while boosting yield (up to x300). The product also includes AI management and monitoring software as well as a resupply service. [Full article available here](https://www.verticalfarmdaily.com/article/9408733/interstellar-lab-raises-5m-to-build-closed-loop-systems-in-space-and-on-earth/)



* 1. **Solar Greenhouse produces both food and energy**

Food is an issue of great importance for our future on the planet, and the impact on the environment of food production, transformation, and distribution can be minimized using new solutions employing "zero kilometers" production and advanced farming techniques.

A group in Spain has built a Solar Greenhouse. The project proposes a space for self-sufficient cultivation as a solution to food and energy production in cities." It was built using solar energy, sustainable materials, and advanced cultivation technology that can be implemented in the countryside or on rooftops in the city to make an effective contribution to food self-sufficiency. The prototype built by the team at Valldaura Labs is a "zero kilometer" project, further reducing its ecological footprint. The use of water, the substrate and building materials from the surrounding area entirely eliminate the supply chain characterizing today’s food industry. Not only is the frame of the greenhouse made out of sustainably grown pine wood harvested and processed in the Valldaura area, but the layout of the structure on two levels limits all forms of impact. The greenhouse roof is made of 'diamond-shaped' glass to capture as much sunlight as possible so that it comes in directly to the solar panels and the plants cultivated in the greenhouse.  [Full article available here](https://www.verticalfarmdaily.com/article/9408691/solar-greenhouse-produces-both-food-and-energy/)

[](http://upload.evocdn.co.uk/fruitnet/uploads/asset_image/2_1216358_e.jpg) **Freight**

* 1. **Ukraine crisis could alleviate reefer capacity shortages**

As carrier services to Russia and Ukraine are all but closed down, reefer container cargoes are also shut out. But for other destinations, this should free up equipment and even lower freight rates. The two countries account for around 4.5% of global seaborne reefer demand, according to Drewry reefer shipping analyst Philip Gray. Russia imported close to 4 mln tons of fresh produce by sea in 2021, 40% of which was bananas from Ecuador and Central America.

“If this trade stops or slows there will be a surplus of equipment and space which will likely bring short-term respite for shippers of seasonal produce from the west coast of South America, which are currently struggling for capacity to both Europe and North America. The wider implications for the fruit exporting business will be felt very fast, as traditional markets become oversupplied with produce, putting pressure on prices.” [Full article available here](https://www.freshplaza.com/article/9407894/ukraine-crisis-could-alleviate-reefer-capacity-shortages/)

 **Innovation**

* 1. **Do crops take up medicines from water?**

The current use of regenerated water in agriculture has led to the emergence of new forms of pollutants, such as pharmaceutical compounds (PCs) which are not fully eliminated in wastewater treatment plants (WWTPs).The objective of a recent study was to evaluate the uptake of ibuprofen (IBP) in horticultural crops irrigated with WWTP effluents and its subsequent effect on human health due to their incorporation into the food chain. The study involved five varieties of crops (lettuce, parsley, cabbage, zucchini and broccoli) grown in a greenhouse and irrigated with WWTP effluent water, in which IBP was analyzed. Of the varieties of regenerated water-irrigated horticultural crops, only the leaves of mini-romaine lettuce presented detectable levels of IBP, but without meaning any risk to human health. [Full article available here](https://www.verticalfarmdaily.com/article/9402525/do-crops-take-up-medicines-from-water/)

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