

**WEEKLY UPDATE: 19 September 2022**

Kia ora

This week’s update features new policies to protect our productive land and progress on strengthening international trade relationships. Meanwhile, the industry continues to suffer from its own version of “long-covid” with on-going impacts of Covid on product quality and business profitability. Also included are regular features of reports, WTO & TBT notifications and NZ and International news items.

Ngā mihi

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# GOVERNMENT AGENCY NEWS

## Consultations

#### Modernising NZ’s export legislation consultation

Consultation period for the proposed modern export legislation closes on the 30 September 22. There is one final virtual session to learn more about the project and have an opportunity for questions and feedback on Thursday 22 September, 10am to 11.30am. [Link to register](https://www.eventbrite.co.nz/e/mpi-modern-export-legislation-information-sessions-tickets-381440447647)

You can find more information about the project and how to provide a submission on the MPI [website](https://www.mpi.govt.nz/consultations/modernising-our-export-legislation-for-food-and-fibre-products/).

#### 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.



# NEW ZEALAND NEWS

## Opinion pieces:

#### Nadine's update: Maintaining growers’ social licence

In this week’s HortNZ weekly briefing, Nadine Tunley discusses the Recognised Seasonal Employer (RSE) in the context of our social licence to grow food. [Full article here](https://www.hortnz.co.nz/news-events-and-media/nadines-update/maintaining-growers-social-licence/)

## Government news

#### Indo-Pacific Economic Framework for Prosperity formally launched

Last week in Los Angeles representatives from 14 countries formally launched negotiations on the Indo-Pacific Economic Framework for Prosperity (IPEF). Minister for Trade and Economic Growth Hon Damien O’Connor represented New Zealand. Ministerial statements setting out the agreed scope for the four ‘pillars’ (Trade; Supply Chains; Clean Economy; Fair Economy) of the negotiation have been released. [Full article here](https://www.mfat.govt.nz/en/trade/mfat-market-reports/market-reports-global/weekly-global-economic-round-up-19-september-2022/)

#### New Ambassador to China announced

Foreign Affairs Minister Nanaia Mahuta announced the appointment of Grahame Morton as New Zealand’s next Ambassador to China.  Grahame Morton is a Senior Diplomat with the Ministry of Foreign Affairs and Trade. He has served as High Commissioner to India, Principal Adviser on Americas and Asia, and as the divisional manager of North Asia Division. Mr Morton was also the lead negotiator of the NZ-Singapore Enhanced partnership and led the whole of government New Zealand China Capable Public Sector Programme. He will take up his new role in December 2022. [Full article here](https://www.beehive.govt.nz/release/new-ambassador-china-announced-0)

## Industry news:

#### Growers say new policy statement a step in the right direction

Growers are hailing the government's new national policy statement for highly productive land as a good first step. Released on the 18 September, the new rules are aimed at ensuring highly productive land can be used for growing vegetables, fruit and other produce. Councils will now need to identify, map and manage productive land to protect it from inappropriate use and development. However, they can still make it available for urban housing if there is no alternative, or if certain tests are met. [Full article here](https://www.rnz.co.nz/news/country/475059/growers-say-new-policy-statement-a-step-in-the-right-direction) [Link to National Policy Statement](https://environment.govt.nz/publications/national-policy-statement-for-highly-productive-land/)

#### Agricultural cooperation a focus for minister during India trip

Minister for trade and agriculture Damien O'Connor is meeting with counterparts in India this week to strengthen trade relationships. A delegation of 20 led by the India New Zealand Business Council is also in the country this week including representatives from Fonterra, Zespri, Apples and Pears and the Meat Industry Association.

O'Connor said his trip was arranged separately but was good timing as he would be able to meet with the group on his trip. "India is a priority relationship for New Zealand, it was our 15th largest trading partner in the year to December 2021, and we are committed to broadening and deepening our partnership." [Full article here](https://www.rnz.co.nz/news/country/475041/agricultural-cooperation-a-focus-for-minister-during-india-trip)

#### Citrus from Fiji soon to be exported to New Zealand

Citrus from Fiji will soon be exported to the New Zealand market. This follows the endorsement of the Citrus Export Plan by the Biosecurity Authority of Fiji (BAF), the New Zealand Ministry for Primary Industries, and the New Zealand High Commission to Fiji earlier this week. According to BAF Board Director Jay Whyte, the endorsement of the Citrus Export Plan is the first of many export plans to be prepared and implemented for fruit and vegetable exports to New Zealand.

The first shipment of citrus exports to New Zealand is expected early next month. [Full article here](https://www.fbcnews.com.fj/news/export-market-available-for-fiji-grown-citrus/)

#### Seeka's six months of pain

A tough six months means produce company Seeka won’t pay an interim dividend to shareholders. According to company spokespeople, Covid, labour shortages, low fruit volumes and unfavourable weather have all affected its half-year results. While revenue was up by 10% to $247.3m, earnings were impacted by increased costs and lower than expected fruit volumes. Gross earnings were down 2.3% to $30m, net profit rose 4% to $21.5m.

Seeka chief executive Michael Franks has stated that the company operates in a seasonal business with substantial earnings coming in the first six months associated with harvest in New Zealand and Australia. [Full article here](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/seeka-s-six-months-of-pain)

#### Zespri intently reviewing quality issues

According to Chief executive Dan Mathieson, fruit quality in the past season is the worst he's seen in a couple of decades. That is why Zespri is now in the midst of a major and hastily convened review to find out about the sudden drop in the quality of SunGold kiwifruit during the past season. Meanwhile, Zespri has heard comments from customers of fruit being soft and in some cases damaged.

Mathieson says there are a number of contributing factors to the decline in fruit quality. At the core of this is the drastic lack of skilled people caused by the pandemic. Mathieson says the industry has struggled to get workers - both RSEs and backpackers - because of the border closures. There were no backpackers in NZ in 2022.

Mathieson says the good news is that despite the quality problems there is still a lot of good fruit getting through to market. He says there is strong customer demand and Zespri's price position for SunGold is holding in market, which is very positive. [Full article here](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/rush-to-sort-quality-issues)

#### Organic growth for Bostock in Vietnam

A healthy dose of competition has helped educate Vietnamese consumers about the organics category. Managers at WinMart stores across the Asian nation have taken part in a contest to create the best organic Fuji apple displays. The competition is part of a wide-reaching campaign from Bostock New Zealand, which has directly supplied WinCommerce – which owns and operates 3,000 WinMart/WinMart+ supermarkets and mini marts across Vietnam – with organic Fuji this season. [Full article here](https://www.fruitnet.com/asiafruit/organic-growth-for-bostock-in-vietnam/247154.article)

## Reports

#### FoodHQ: Government Investment in Opportunities of Alternative Proteins

NZ currently has no specific strategy, targets, or goals related to the role of alternative proteins within its agrifood sector, and possess a low level of government investment as a percentage of agriculture-related GDP (0.23%) compared to other countries. FoodHQ hopes that their report: ‘Government investment in the opportunities of alternative proteins: what are other countries doing and how does Aotearoa New Zealand compare?’ will help our government accelerate its decision-making on how it chooses to engage in this rapidly moving new agrifood sector. [Full report here](https://www.emergingproteins.co.nz/reports/)

## Surveys:

#### NZ ASEAN Trade Survey 2022 launched

The NZ ASEAN Business Alliance Network is launching the new annual survey, supported by the Ministry of Foreign Affairs and Trade (MFAT) and the South East Asia Centre of Asia Pacific Excellence in New Zealand. The results of the survey will help both business and the public sector better understand the experiences of what it is like to trade across the region. Take the [6-7 minute survey](https://www.surveymonkey.com/r/PQMZK5S)

## Upcoming events:

* World Avocado Congress 2023, 2-5 April 2023, Auckland. [Full details here.](https://www.wacnz2023.com/)

# INTERNATIONAL NEWS

## Market reports & overviews:

#### Floriculture market is rising due to growing use of flowers for aesthetic purposes

The floriculture market is projected to soar to a valuation of about US$ 80.5 Bn by 2029, rising at a CAGR of about 6.7% from 2022 to 2029. It is currently valued at close to US$ 49.8 Bn.

The recent explosion in the popularity of edible flowers will significantly expand the floriculture market, which is currently primarily supported by cut flowers. Institutions and events that currently account for about 3/5 of the market would continue to be the main consumers of floriculture products. The enormous potential for using flowers as decorations on various occasions would drive the institutions/events segment’s growth during the forecast period. [Full article here](https://www.newstrail.com/floriculture-market-is-rising-due-to-growing-use-of-flowers-for-aesthetic-purposes-by-institutions-events-marks/)

#### Global Market Overview Pears

The prospects for pears this season are generally positive, despite some countries like Spain, South Africa and China reporting issues with production due to adverse weather conditions, although in Spain this is somewhat compensated for with the high sugar levels, which were also seen in the Netherlands. In North America, the weather delayed the harvest but production levels seem unaffected, whilst Italy expects almost twice the harvest compared to last year despite the droughts. In Greece, growers faced struggles unrelated to the weather, as they struggle to find workers for the harvest. In Germany, demand for the popular fruit continues to grow, and in Argentina, the blow from the loss of the Russian market has been softened by increased exports elsewhere. The full Fresh Plaza article provides an overview of key markets. [Full article here](https://www.freshplaza.com/article/9459789/global-market-overview-pears/?utm_campaign=highlights&utm_medium=email&utm_source=16-09-2022)

#### RaboResearch: Specialty crops to test appetite for gene editing

Conflicting regulatory standing between the EU and the US has created a divided market for investment in gene-editing technologies in agriculture. Nonetheless, product development is moving ahead. Gene-edited products will soon be available, with specialty crops like fruit and vegetables among the first to hit supermarket shelves. A new Rabobank report details the regulatory landscape and outlines opportunities for industry players. [Link to article](https://www.hortidaily.com/article/9457104/raboresearch-specialty-crops-to-test-appetite-for-gene-editing/) [Link to report](https://research.rabobank.com/far/en/documents/176355_Rabobank_Specialty-Crops-To-Test-Appetite-for-Gene-Editing_Kang_Sep2022.pdf)

## In The News:

#### Albert Heijn signs deal with WWF to halve ecological footprint

Dutch supermarket chain Albert Heijn has signed an agreement with the World Wildlife Fund (WWF) to help halve the ecological footprint of the country’s food supply chain network by 2030. The partnership, which will draw on WWF’s experience gained working with supermarkets in the UK, will provide the retailer with what it describes as a “scientific blueprint” for actions necessary to achieve that goal. Among those actions are improvements to supply chain traceability and biodiversity in agriculture, as well as helping citrus and tomato growers to innovate. [Full article here](https://www.fruitnet.com/eurofruit/albert-heijn-signs-deal-with-wwf-to-halve-ecological-footprint/247191.article)

#### Millions placed in lockdown across China, water crisis has not eased

Facing a tough business environment, with the reality changing on an almost daily basis, has become the new normal for many companies doing business in China. The last few weeks have brought a range of new challenges. Particularly the South and Southwest regions of the country have been hit, including the provinces of Sichuan and Guangdong.

Months of dry weather and heat have hit the region's hydropower capacity, forcing factories, offices, malls, schools, and other public venues to close or go without electricity for lighting or air conditioning.

The city of Chengdu, with 16 million inhabitants, has gone into full lockdown. In addition, 70 other cities across China have implemented different levels of lockdowns. It is estimated that a total of 65 million Chinese are in total or partial lockdown. Covid cases have been reported in over a hundred cities, the highest number since the early days of the pandemic in 2020.

On top of this, a 6.8-magnitude earthquake reportedly hit Sichuan province on Monday afternoon, only 200 km from the city of Chengdu. [Full article here](https://www.hortidaily.com/article/9457310/millions-placed-in-lockdown-across-china-water-crisis-has-not-eased/)

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