

PMAC weekly update 6th to 13th November

- 1. Government agencies:** ICPR Update; WTO Notifications.
- 2. New Zealand News:** PMAC AGM, Annual report and new strategy; Revised Trans-Pacific Partnership a better deal for New Zealand; Government welcomes WTO ruling against Indonesia; MPI Change or no change?; SFO decides not to file charges against Zespri ; Freshmax promotes from within; Memorandum –a way to develop horticulture on Maori land; Fungicide damage on apples; New device helps determine kiwi taste before picking; More science added to 5+ A Day ; Horticultural land sold to foreigners; Since 1909, winter in New Zealand has become 30 days shorter.
- 3. International news:** GAIN reports; EU report confirms high safety standards in crop protection; Organic industry across the globe continues to grow; Huge scam involving organic fruit and vegetables discovered in Sicily; Maersk Line in profit but volume dropped in Q4 after cyberattack; Research shows that persimmons may help reduce risk of heart attack; Researchers develop food wrapping that kills bacteria; Spider venom could be the pesticide of the future; Spider venom could be the pesticide of the future; Circadian clock discovery could help boost water efficiency in food plants; Artificial seeds: even better than the real thing?; Frankenfood or the future of agriculture?

Editor's comments

The good news this week has been delivered in the trade space. TPP has been agreed under a new name (although still yet to be signed) and the WTO found that Indonesia implemented trade restrictive practises against New Zealand and the USA. Both items will have a positive effect in opening up more equitable access for our exporters.

At the same time the potential for New Zealand Horticulture (including viticulture) to produce good returns internationally can be seen in the article on foreign ownership with the sale of a number of properties to companies with foreign ownership being reported on.

In the International section the report on the safe us of crop protection substances in the EU is of interest. It questions why this is not recognised by EU regulators who are taking a negative view on the use of pesticides or GMO technologies. The article Frankenfoods or the future of agriculture explores this area further with a discussion on the use of gene editing and its potential to facilitate plant breeding

Agency news



1.1. ICPR updates

The ICPR's for United Arab Emirates and Saudi Arabia have been updated to include Gulf Cooperation Council Legislation and made changes in several areas to state an import permit is required.

For the new ICPR's check the [Importing Countries Phytosanitary Requirements](#) . If you need any further clarification please contact your IVA

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 include:

- Bahrain- import phytosanitary requirements
- Canada – MRL's

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



WTO Notifications
1-11-17 - 8-11-17.xls

available here



2. New Zealand News

2.1. PMAC AGM, Annual report and New Strategy

The PMAC Incorporated AGM was held following Novembers PMAC meeting. The Annual report tabled at the meeting is available [here](#) on the PMAC web site.

The AGM approved the following membership

- Roger Gilbertson on behalf of Apple and Pears
- Catherine Richardson on behalf of Zespri
- Simon Hegarty on behalf of the Horticultural Export Authority
- Richard Palmer on behalf of Horticulture New Zealand
- Andy Warren on behalf of the New Zealand Flower Exporters Assn.
- Thomas Chin on behalf of the New Zealand Grain and Seed Trade Association
- Jen Scoular on behalf of the of NZ Avocado Industry Council
- Paul Turner on behalf of the New Zealand Plant Producers Incorporated
- Gisele Irvine on behalf of Vegetables New Zealand and Tomatoes New Zealand
- Chris Claridge on behalf of and Potatoes NZ
- Tony Ponder on behalf of the Horticultural Exporters Council and Kiwifruit to Australia
- Michael Ahern on behalf of Onions New Zealand
- Brian Wilson on behalf of MFAT
- Pete Thomson on behalf of MPI Plant Exports
- Tim Knox on behalf of MPI Market Access and Assurance

More information about PMAC's set up and membership [is available here](#) on the PMAC web site.

The PMAC meeting on the same day agreed a new strategy for 2017 -22. This provides PMAC's vision for the future explains PMAC's role and identified 5 defined goals to track progress . The [full strategy is available here](#).



2.2. Revised Trans-Pacific Partnership a better deal for New Zealand

Minister for Trade and Export Growth David Parker has welcomed the 11-member [Comprehensive and Progressive Agreement for the Trans-Pacific Partnership \(CPTPP\)](#) which incorporates the TPP.

A [Ministerial Statement](#) has been issued today by all eleven Ministers in Da Nang, Viet Nam, which confirms the core elements of the deal are now agreed, with just four issues requiring further technical work and discussion. The four remaining specific items to be finalised by the date of signature are included at the end of the [list of suspended provisions](#).

The Ministers has stated "a [number of the most controversial parts](#) of the original TPP have been suspended in the new Agreement with no change to the goods market access outcomes contained in the original TPP."

The CPTPP was negotiated between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, Viet Nam, and New Zealand.

[Full article available here](#)

2.3. Government welcomes WTO ruling against Indonesia

Minister for Trade and Export Growth, David Parker, welcomes the World Trade Organisation (WTO) decision to uphold New Zealand's case against agricultural trade barriers imposed by Indonesia. On 9 November, the WTO's Appellate Body confirmed that a number of Indonesian agricultural trade barriers are inconsistent with global trade rules.

New Zealand and the US initiated the case in 2013 in response to a range of next-generation agricultural "non-tariff" barriers applied by Indonesia to imports since 2011. They include import prohibitions, behind-the-border use and sale restrictions on imports, restrictive import licensing, and a domestic purchase condition.

These barriers have affected opportunities for many New Zealand agricultural exporters, including producers of onions, apples and beef. In 2010, prior to the introduction of the challenged restrictions, Indonesia was New Zealand's second-largest beef export market by volume, worth \$180 million a year. That trade subsequently plummeted by 85 percent. This case aims to secure more open and predictable access into Indonesia for a range of our exports. [Full article available here](#)

General

2.4. MPI Change or no change?

Ministers are “working on proposals” for revamping the Ministry for Primary Industries, says the Minister for Agriculture Damien O’Connor. Under the coalition, government roles within the primary sector include O’Connor becoming Minister for Agriculture, Biosecurity, Food Safety and Rural Communities; Stuart Nash Minister for Fisheries and NZ First’s Shane Jones Minister for Forestry and Regional Economic Development. *The article indicates that change is being considered* [Full article available here](#)

Industry news

2.5. SFO decides not to file charges against Zespri

Ending a four-year investigation into the legislated fruit export monopoly the Serious Fraud Office has decided not to file charges against Zespri Group over dual-invoicing. Director Julie Read said the white-collar crime investigator found the evidence didn't meet a high enough standard to lay charges after investigating allegations Zespri facilitated tax evasion while exporting kiwifruit to China by providing false invoices to its importer to use in declarations to Chinese officials. Zespri chairman Peter McBride said the investigation, had cost the kiwifruit marketer \$7m.

Read said New Zealand exporters should approach the practice of dual invoicing with "extreme caution" because it's a warning flag that duty is being evaded. She acknowledged the case took a long time, saying there were "complex and unusual arrangements between Zespri and their Chinese importers".

[Full article available here](#)

2.6. Freshmax promotes from within

Freshmax Chairman, David Smith, is delighted to announce the appointment of Murray McCallum as Group CEO effective from 21 December 2017. McCallum has 30 years’ experience in the horticultural industry and was a lead proponent of the merger of Valleyfresh and Freshmax in 2014. Shortly thereafter he was appointed CEO of Valleyfresh. Under McCallum’s stewardship Valleyfresh has expanded its international operations significantly and quadrupled its contribution to Group earnings. McCallum transitions into the CEO role following the conclusion of Peter Ellis’s eighteen month contract to integrate the various business units of the expanded Freshmax Group.

In addition to McCallum’s promotion, Freshmax welcomes back Andrew Common to a senior leadership position. Common has spent the last 3 years in Zespri’s Singapore office developing distribution and sales networks throughout the fastest growing kiwifruit markets in Asia.

[Full article available here](#)

Crop news

2.7. Memorandum –a way to develop horticulture on Maori land

One hundred and fifty hectares of Maori-owned land in Omaio, near Te Kaha, New Zealand has taken another step towards its transformation from maize into kiwifruit orchards with the launch of an information memorandum. The information memorandum, developed by Te Rau Aroha Charitable Trust, seeks potential partners to help progress its land development strategy, with the potential to

create 100 new jobs for local whanau. The information memorandum outlines the trust's land transformation plan, and the work undertaken to date, including establishing infrastructure to progress the project.

Francis Pauwels from ToiEDA (who have been helping the trust) said the land transformation strategy provided other avenues for the Maori-owned land to be developed into other high value land uses, with access to water for irrigation available. [Full article available here](#)

2.8. Fungicide damage on apples

Royal Gala apples will still be stocked on supermarket shelves next season, despite some orchards being damaged in Nelson and Hawke's Bay. The product supplier, Adama New Zealand, has since recalled that particular spray. Adama said it won't know the full extent of the damage until closer to harvest in February and March. Initial reports suggest 180 hectares of crops have been affected by the product. [Full article available here](#)

Adama New Zealand was alerted to the issue on October 5 after farmers reported blemishes on the Leaves and buds of crops. An investigation was subsequently launched which identified a fungicide included in the spray Mancozeb that was not intended for apples. The extent of the damage will only be fully assessable closer to harvest in February. [Full article available here](#)

2.9. New device helps determine kiwi taste before picking

Kiwifruit growers could have a new and productive tool at their disposal. Called the Harvest Manager 300, the scanner helps growers identify when the fruit is ready to be picked and also promises to be a cost-saving as much as a time-saving device. The front end of the device rests against the skin of the hanging fruit, transferring the data to a display that is angled to face the user. The information transferred can be used to determine the fruits taste levels. [Full article available here](#)

Other

2.10. More science added to 5+ A Day

Plant and Foods scientist Dr Carolyn Lister has been appointed a trustee on the board of the 5+ A Day Charitable Trust. The Trust's general manager, Paula Dudley, says Dr Lister's appointment this month brings a new level of scientific expertise to the organisation and broadens the skillset at board level. "Our knowledge about the importance of nutrients and phytochemicals in our diet only has an impact if people change their behaviour, and we know 5+ A Day is doing just that," says Dr Lister. "As well as doing the science I've now got a fair amount of experience in communicating health [Full article available here](#)

2.11. Horticultural land sold to foreigners

The Overseas Investment Office has approved several deals allowing foreigners to buy property in New Zealand, though three of the deals involve entities that are majority New Zealand-owned, with partial foreign ownership. The new Government has vowed to ban the sale of residential, farm and sensitive land to foreigners and is planning to overhaul the law. Meantime, deals are still being approved under the existing Overseas Investment Act to sell land classified as "sensitive" to foreign entities.

Craigmore Permanent Crop Limited Partnership (Germany, Hong Kong, Swiss, British, etc.) got consent to buy 17.5ha of kiwifruit land at Te Puke.

NZX listed Kiwi Property (13.6 per cent American and 4 per cent Australian owned) got consent for a \$36.3m deal to buy sensitive land at Drury which will be used to create a residential property and a town centre development. Another two deals allowed overseas companies to buy vineyard land.

[Full article available here](#)

2.12. Since 1909, winter in New Zealand has become 30 days shorter

Principal climate scientist Brett Mullan has been looking at New Zealand temperature records going back to 1909. If a threshold of 9°C was chosen there was an average of 100 days per year between 1909 and 1938 when the temperature was less than 9°C, compared to only 70 days per year between 1987 and 2016. Winter contracted about equally from both ends.

A shorter winter period affected the environment, plant growth and what you can grow and where. The downsides include more pests and diseases and decreased winter chilling which is required by some crops to set fruit properly. [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) **Canada Apples, Fresh, Pears, Fresh, Grapes, Table, Fresh 2017** For marketing year (MY) 2017/18, FAS/Ottawa forecasts an 8 percent decrease in Canadian apple production,

resulting from suboptimal growing and harvest seasons. U[Fresh Deciduous Fruit Annual Ottawa Canada 11-1-2017](#)

- b) **Select Chinese demand for high-quality fruit continues to increase** Post forecasts China's apple production at 44.5 million metric tons (MMT) in MY 2017/18, up a mere one percent from the previous year. [Fresh Deciduous Fruit Annual Beijing China - Peoples Republic of 11-1-2017](#)
- c) **Mexico Apples, Fresh, Pears, Fresh, Grapes, Table, Fresh More Deciduous Fruit Being Produced** Apple production in Mexico for marketing year (MY) 2017/18 (August/July) is forecast at 720,000 metric tons (MT), [Fresh Deciduous Fruit Annual Mexico City Mexico 11-1-2017](#)
- d) **Singapore Food Service - Hotel Restaurant Institutional** Singapore has a vibrant, highly dynamic and competitive Hotel, Restaurant, and Institutional (HRI) sector. Strong demand by business travelers and rising number of tourists drive the HRI sector offering opportunities for U.S. exporters. [Food Service - Hotel Restaurant Institutional Singapore Singapore 11-1-2017](#)
- e) **South Korea Pears, Fresh 2017 Pear Annual** Although planted area for pears continues to decline in a trend that has continued since the year 2000, expected increased yields [Fresh Deciduous Fruit Annual Seoul Korea - Republic of 11-1-2017](#)

Business

3.2. EU report confirms high safety standards in crop protection

Reacting to a new EU report on the Sustainable Use of Pesticides debated by EU Farm Ministers, Copa and Cogeca¹ said it confirms the high safety standards that farmers and their cooperatives meet and how well trained they are in applying these products. Something that is not promoted enough by the EU Institutions. Some of the technologies needed to increase production - New Breeding Techniques and Plant Protection Products - are under pressure due to a lack of confidence in the EU Institutions and with non-science-based decisions taking centre stage".

A good article that questions the damage extreme concern about these technologies will have on their use and the future of primary industry. [Full article available here](#)

3.3. Organic industry across the globe continues to grow

"Provisional calculations indicate that the turnover generated by the global market for organic food and drink in 2016 was close to USD 90bn. There were high growth rates in all the world's major

¹ The united voice of farmers and their cooperatives in the European Union

regions, but in North America and northern Europe in particular," Amarjit Sahota from the London-based business consultancy Ecovia Intelligence (formerly Organic Monitor) told.

However concerns regarding the supply security of organic raw materials are increasing. *This article provides statistics for growth in the EU and Australia.* [Full article available here](#)

3.4. Huge scam involving organic fruit and vegetables discovered in Sicily

Huge scam discovered in Sicily. Fruit and vegetables sold as organic both in Italy and abroad were actually grown using traditional pesticides. The investigated entrepreneurs also seem to have received €1 million worth of European funds destined for organic agriculture. Revenue officers searched nine "organic" companies and the owners are currently being investigated for the offence of fraud in trade and aggravated fraud against the State and the European Union. [Full article available here](#)

3.5. Maersk Line in profit but volume dropped in Q4 after cyber attack

Danish container shipping giant Maersk Line reported a profit of USD 220 million in the third quarter of the year, a major rebound when compared to the loss of USD 116 million reported in the corresponding period last year.

The company felt the impact of the June cyber-attack on its business performance in July and August, while contingencies related to recovery from the cyber-attack resulted in a negative development on volumes, utilisation and unit cost performance throughout the quarter. [Full article available here](#)



Health

3.6. Research shows that persimmons may help reduce risk of heart attack

According to a new study, a persimmon a day could save you from a heart attack. Researchers have carried out the first known study of its health-giving qualities compared to those of other fruits - particularly the apple.

The team from the Hebrew University in Jerusalem found that persimmons contain significantly higher concentrations of dietary fibre, minerals and phenolic compounds. These are all vital in fighting atherosclerosis, in which the arteries become blocked - a leading cause of heart disease, heart attacks and stroke. Eating one medium-sized persimmon a day was enough to help fight athero-sclerosis.

[Full article available here](#)



Innovation

3.7. Researchers develop food wrapping that kills bacteria

Canadian scientists have developed a food wrapping that has viruses embedded in it to kill bacteria that cause food contamination, according to a study. They work by specifically taking out single strains of germs, unlike antibiotics, which wipe out all bacteria. [Full article available here](#)

3.8. Spider venom could be the pesticide of the future

Members of the Australian funnel-spider family carry a cocktail of poisons that paralyze their prey by disrupting their nervous systems; some are so potent they can kill full-grown humans.

A biotech company called Vestaron is focusing on developing natural insecticides from spider venom, either by recreating them in a lab or making them through genetically modified yeast. It's also working on genetically modifying crops so that the plants produce their own insect-killing chemicals. Vestron has received approval from the US Environmental Protection Agency to roll two of their Australian funnel spider venom-based products out in the beginning of 2018, to farmers growing ornamental flowers and vegetables, like tomatoes and cucumbers, in greenhouses to kill off four whiteflies, thrips, aphids, and spider mites. [Full article available here](#)

3.9. Dutch laser technology to prevent birds damage

A blueberry grower in the United States has, for the first time, successfully used an automated laser-controlled scarecrow against troublesome birds. The technology was developed by Bird Control Group, which was founded by former TU Delft students. Bird Control Group's laser technology plays on birds' natural instincts. They perceive a laser beam to be a predator. The birds fly away, seeking protection. This keeps the destructive birds a safe distance away from the blueberries.

The damage American fruit growers suffer from birds is enormous. According to research, done by various American universities, the damage runs into tens of millions of dollars per year. Blueberry growers also fall victim to this. In the state of Oregon, the damage per hectare is about \$4 500. [Full article available here](#)

3.10. Circadian clock discovery could help boost water efficiency in food plants

A discovery by Texas A&M AgriLife Research scientists in Dallas provides new insights about the biological or circadian clock, how it regulates high water-use efficiency in some plants, and how others, including food plants, might be improved for the same efficiency, possibly to grow in conditions uninhabitable for them today.

Yu's group focused on pineapple, a water-efficient tropical plant that uses crassulacean acid metabolism or CAM photosynthesis. During photosynthesis, CAM plants open their stomata at night to facilitate water-efficient gas exchange compared to C3 plants, whose less water-efficient gas exchange occurs during the day. The majority of food crops, including rice, wheat, soybean and cotton, use C3 photosynthesis.

Researchers found certain genes regulated by the biological clock to express similarly in two tissue types of the pineapple plant: those that contribute to photosynthesis and those that do not. The finding represents a new paradigm for identifying core clock genes, Yu said. The method revealed what might be components of the circadian clock or oscillator that regulates CAM activity. The discovery is a leap in understanding the genetic mechanisms of highly water-efficient CAM photosynthesis and using the knowledge for crop production in the future, Yu said.

"We believe at some point we can improve water intensive C3 plants to the extent that they also employ CAM photosynthesis," she said. "By understanding these genetic controls, we can help plants adapt to changing climates, possibly growing food in environments where it would be impossible today."

Yu said the next step in the ongoing research is to confirm the functions of the prospective circadian oscillator. [Full article available here](#)

3.11. Artificial seeds: even better than the real thing?

Artificial seeds are artificially encapsulated somatic embryos (usually) or other vegetative parts such as shoot buds, cell aggregates, auxiliary buds, or any other micropropagules which can be sown as a seed and converted into a plant under in vitro or in vivo conditions. The production of plant clones multiplied by tissue culture and distributed as artificial seeds could be a useful alternative to the costly F1 hybrids for different plant crops. The delivery of artificial seeds also facilitates issues such as undertaking several ways for scaling up in vitro cultures and acclimatization to ex vitro conditions. The development of an artificial seed technique also provides a great approach for the improvement of various plant species such as trees and crops. [Full article available here](#)

3.12. Frankenfood or the future of agriculture?

Consumers will soon be eating gene-edited foods that have added nutrients, potatoes that do not turn brown, and mushrooms with a longer shelf life, scientists at [The University of Queensland](#) predict.

UQ Queensland Alliance for Agriculture and Food Innovation Director Professor Robert Henry said gene technology was a potential game-changer for agriculture. "The next generation of genetically altered foods are here and waiting for regulatory approval," he said. Professor Henry said there have been major advances in gene technology, and the regulatory environment needed to keep up.

Gene editing involves a snip or tweak of DNA at precise locations on the genome, using technologies such as CRISPR. "Gene editing is the same as conventional breeding but a faster, safer and a more precise process – with benefits to human health as well as agriculture and food," Professor Henry said. He said gene editing had not attracted the controversy surrounding GMOs from consumers. "We have not had the same public response, because gene editing does not require inserting new genes into the cell's nuclei." [Full article available here](#)

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