

**PMAC weekly update 16th to 23rd May**

1. **New Zealand News:** Primary sector backed to grow and innovate, Trade and Export Growth Minister to travel to Bangkok for APEC, Government funds partnership to reduce agricultural emissions, Fund to unleash small business potential across NZ, Farmers can get interest rate cuts if they protect the environment, Horticultural Industry Action plan – how to have input to its priorities, The Government’s plan to tackle emissions is finally out and comment called for on the Climate adaption plan, State-owned supermarket idea ‘bad’, Improving relationships to provide more transparency, A season of fatigue! , Drought in Auckland’s rural south increases food prices, “Zespri kiwis still have great potential to grow on the French market”, Zespri confident in Chinese market, All hands on deck to try and harvest New Zealand’s kiwifruit crop, Tough road for kiwifruit’s eastern BoP growth, Council considers pest management for wild kiwifruit, New Zealand apple industry intends to be 'spray-free' by 2050, Organic apple grower continues export to Russian Federation, All apple growers faced with dilemma of shipping products to Russia, Just the juice for family of orchardists, Little Beauties: The Nelson company using food no one else wants, Oakley’s using new technologies to become more sustainable, Plant Pass scheme to enhance biosecurity, Maersk to open integrated cold chain facility in Waikato, Energy costs may drive greenhouse growers out of business, Canterbury subdivision causes rift between residents developer , Union pushes for reform to RSE scheme, Demand for Vietnamese dragon fruit increasing in Australia & New Zealand, United Fresh MPI Food Residues Survey Programme (FRSP) results available, FPSC launches new food safety resources, How much glyphosate is on your food? Who knows?
2. **International news:** GAIN reports; Shipping costs far outstrip production costs on Eastern Cape citrus farms, Food prices to go up more if 'triple-dip' La Niña creates more chaos, China’s lockdowns force fruit exporters to divert to Southeast Asia, US Sprouting industry recommend to improve safety practices to limit foodborne outbreaks, Ocean-going vessels to capture CO2 for greenhouses, Green hydrogen solution for Australian agriculture, ready for investment

**Comment**

A huge news week this week with the majority of the articles being about activity in New Zealand . The section from the beehive mainly concerns budget spending with a sustainability focus – both environmental and business sustainability. The work done by He Waka Eke Noa has kept agriculture out of the emissions trading scheme for the moment and has put in place incentives e.g. low interest loans for those who are working down the sustainability path.

The balance of the NZ news is a diverse mix of a range of headwinds that make business difficult and some truly exciting initiatives that showcase New Zealand horticultural businesses being innovative and producing exactly what 21st Century consumers are looking for.

I’ll only mention 2 articles this week . The first is the Horticultural Action plan which is a must read and which is an area where it’s important to engage. Important too are Nadine Tunley’s words in the article about working together, sharing and leading the world. At the other end of the scale there is an in-depth article on the energy crisis facing the glasshouse Industry . An excellent summary of options that are being considered and a sobering last paragraph which asks do we “Walk away from tens of millions in assets, 300 jobs and 25 percent of the New Zealand tomato industry, or potentially import product from Australia or China, “This will be a very big issue over the next couple of years”



1. **New Zealand News**



* 1. [**Primary sector backed to grow and innovate**](https://www.beehive.govt.nz/release/primary-sector-backed-grow-and-innovate)

The Government is backing new integrated advisory services for farmers, foresters, and growers, supporting innovation and strengthening the animal welfare system. The $190 million of funding announced in the budget will help them adapt practices and drive value growth as they respond to changing international markets.

More than $118 million over four years will go towards boosting advisory services for farmers, foresters, growers and whenua Māori owners. What is important is that all farmers and growers are supported in their business decisions as they necessarily focus on sustainability,” Damien O’Connor said.

$40 million investment over four years will also accelerate transformation in the forestry, fisheries, food and beverage, and wood processing sectors. “Industry Transformation Plans are being developed in partnership with industry and Māori to identify high-impact actions that strengthen the performance of our primary sector.

* 1. **[Trade and Export Growth Minister to travel to Bangkok for APEC](https://www.beehive.govt.nz/release/trade-and-export-growth-minister-travel-bangkok-apec)**

Trade and Export Growth Minister Damien O’Connor is set to travel to Thailand this week to represent New Zealand at the annual APEC Ministers Responsible for Trade (MRT) meeting in Bangkok. Damien O’Connor will also hold bilateral meetings with key ministerial counterparts and meet with New Zealand companies active in Thailand – one of New Zealand’s top ten trading partners.

* 1. [**Government funding to reduce agricultural emissions**](https://www.beehive.govt.nz/release/partnership-reduce-agricultural-emissions)

The Government has committed $710 million over four years through the Climate Emergency Response Fund (CERF) to accelerate efforts to lower agricultural emissions, expand the contribution of forestry to reduce carbon, and produce alternative ‘green’ fuels.

“$339 million will accelerate the development of high-impact technologies and practices to reduce agricultural greenhouse gas emissions, including the establishment of the new Centre for Climate Action on Agricultural Emissions. “The Centre is about applied research that drives product development. The He Waka Eke Noa partnership has highlighted the demand from farmers and growers for products that will shift the dial on-farm so our sector can hit our emissions reductions targets. The sooner tools are ready for farmers the sooner we move on our goal of biogenic methane reduction of 10 percent by 2030 and 24 to 47 percent by 2050.

$73.5 million from Budget 2022 will go towards increasing woody biomass, which offers the best alternative to coal in our efforts to reduce carbon emissions from fossil fuels. This will ensure we have home-grown clean energy solutions to replace the use of coal in industrial process heat. This will increase our energy security and means we are less reliant on coal. “This new funding will increase New Zealand’s biomass supply by enabling planting of 10,000ha of forest.

“New funding will scale up native seedling production to increase native forest planting and create long term carbon sinks.

*Funding is also available for* “Māori agribusiness has a big role to play in the years ahead as we make the most of blending our traditional knowledge to protect the land and environment and help drive productivity,” Meka Whaitiri said. "It’s about determining the most appropriate uses for our whenua, adopting new technology to reduce emissions, and providing on the ground support to make the changes.”

* 1. [**Unleashing small business potential across NZ**](https://www.beehive.govt.nz/release/unleashing-business-potential-across-nz)

A new fund to improve access to finance for small and medium businesses is included in a package of Budget 2022 initiatives to drive economic security, innovation, and low-emissions growth.

“The Government is committed to improving SME’s access to finance, and to establishing a Business Growth Fund. The Budget has set aside $100 million over the coming year for Crown investment as a minority shareholder in a Business Growth Fund, alongside private banks. “It is intended the Fund will help fill a gap in the capital market for SMEs that require growth capital not available through current market providers. The Fund is an investment model already established in the UK, Ireland, Canada, and Australia. “

This initiative allows the Crown to take a minority shareholding in a privately operated and independently managed Business Growth Fund, investing alongside banks. “The Government has discussed the proposal with the Reserve Bank of New Zealand (RBNZ) and private retail banks. The RBNZ will consult publicly, and the Government is confident a Business Growth Fund will gain the private sector support needed to bring this model to New Zealand.

 **Consultations**

* 1. [**Farmers can get interest rate cuts if they protect the environment**](https://www.stuff.co.nz/business/farming/agribusiness/128620148/farmers-can-get-interest-rate-cuts-if-they-protect-the-environment)

Bank of New Zealand has launched the country's first sustainability linked loan that will reward even small-scale farmers for meeting environmental and social goals with lower interest rates.

Dana Muir, BNZ’s head of natural capital, said the loan set key performance indexes around greenhouse gas reductions, eco-system protection, improved care for staff, protecting waterways, improving biodiversity and animal welfare. If farmers met their environmental and social performance targets across the term of their loan, they would pay less to borrow the money, Muir said.

The new loan was different because it could be used to finance any farming operation and was tailored to the specific business, Muir said. The article describes how an IVA will provide verifiable proof that the agreed gaols are meet.

Farmers could choose up to five areas they wanted to improve on their farms, however climate change mitigation was mandatory as emission reduction was crucial, Muir said. The loan was in line with the direction the industry was going and followed the same principles as initiatives like He Waka Eke Noa that rewarded farmers for their positive actions, This was the first example of Sustainable Agriculture Finance Initiative guidance being used to underpin a sustainable finance product for the primary sector, Muir said.

* 1. [**Horticultural Industry Action plan – how to have input to its priorities**](https://www.hortnz.co.nz/news-events-and-media/nadines-update/planning-and-working-towards-a-bright-and-profitable-future/)

Work has picked up again on the horticulture industry-led, government enabled action plan that is being developed to support our industry to reach the Fit for a Better World target. That is, to improve grower margins and double the farm gate value of production – from $6 billion to $12 billion by 2030.

The work is government funded through MPI who has engaged KPMG to consult with industry on the opportunities and challenges we need to leverage or overcome to ensure we can meet the improved grower margins and doubling of farm gate value target.

KPMG and MPI have already distilled a lot of feedback to reach five focus areas, after working with product groups early on and then more recently, the governance group:

1. Mitigation and adapting to climate change
2. Value-add products, services and markets
3. Māori in horticulture
4. Resilient cultivars and an innovation science system
5. Sector attractiveness and workforce education and training.

Within these areas, a number of topics are captured – water availability and storage, improving land use, access to new high value markets, increasing access to capital, adopting new cultivar development technology, improved labour certainty, and so on.

Our industry holds the key to so many things that this country wants to achieve, foremost of which is reducing environmental impact while increasing food production as well as grower and farmer returns and margins. The aim for this action plan is that it focuses on a few key critical areas which are important to everybody, growers, product groups, research and development agencies, and central and local government. An important message is that the action plan cannot be all things to all people, but I believe that it can facilitate unification through the agreed focus areas and a staged plan that will guide priorities and investment over the next eight years.

Most people know the riddle, ‘How do you eat an elephant? One bite at a time.’ A lot of what our industry has to contend with at the moment seems like an elephant – just too big to know where to start to make progress. Reflecting on the current season stresses and strains makes me all the more determined to start making more progress in key areas such as labour, climate change, new varieties and better market access, so we have a more prosperous future outlook.

We are some of the best producers of fruit and vegetables in the world, therefore now is not the time to rest on our laurels. Our competitors are hungry for some of the reputation and market share that New Zealand has – domestically as well as internationally. Covid-19 has sharpened the knives and many countries have far more money to spend on research and development than New Zealand does. That is why we must focus and plan, and look at ways to work together so what we have goes further.

In a workshop earlier this month, one of the governance group members suggested that the horticulture sector needs to look at its culture and through leadership and communications, find ways to become a high performing team. Because, if we were to become a high performing team, we would find that we had all the answers.

The diversity of our sector is one of its strengths but it is also one of its weaknesses. In the post-Covid world – whatever that looks like and we do not know what it looks like yet – those high performing teams, sectors and countries will have a distinct advantage.

As a country, our overall productivity is low. Horticulture – already highly productive – can help reverse that trend, but only if we come together and speak as one, so that those that make policy and investment decisions understand us and as a result, make the right decisions for our sector and the country.

So get involved! Have your say, so we can agree on our priorities and a logical course of action. For 2030 is not very far away at all. . KPMG will be organising a series of Zoom meetings over the **next few weeks**. To take part, please email Justine Fitzmaurice on [jfitzmaurice@kpmg.co.nz](mailto:jfitzmaurice@kpmg.co.nz). You can also email Justine your views directly.

* 1. **[The Government’s plan to tackle emissions is finally out](https://www.minterellison.co.nz/our-view/the-governments-plan-to-tackle-emissions-is-finally-out) and comment called for on the Climate adaption plan**

In the last two weeks the Government has released three key documents under the Climate Change Response Act 2002 that act as a framework to direct New Zealand’s response to climate change over the next 13 years:

* three five-yearly emissions budgets;
* a final emissions reduction plan to meet these budgets; and
* a draft adaptation plan to build resilience to climate change.

*This article provides a high level summary on the emissions budget and final emissions plan that provide good background to the adaption plan , It identifies that work is planned in* ***Agriculture, transportation, forestry, energy and industry and planning and infrastructure.***

The Government has also recently released a draft of its first adaptation plan [Te mahere urutaunga ā-motu: Draft national adaptation plan](https://environment.govt.nz/assets/publications/Draft-national-adaptation-plan.pdf) (**Draft Adaptation Plan)** setting out proposals for how it proposes to adapt to the impacts of climate change and address climate risks over the next six years.

It is clear from the proposals that the costs associated with adaptation will not only be borne by central government but will be shared with local government, homeowners, business owners, banks and insurers.

Based on the 43 priority risks identified in the National Climate Change Risk the Draft Adaptation Plan’s three main focus areas which include:

* Institutional reform to be fit for a changing climate;
* The provision of data, information, tools, and guidance to enable everyone to assess and reduce their own climate risks; and
* Embedding climate resilience across government strategies and policies.

Some of the key proposals are set out below.

* **Managed retreat legislation:** to enable the re-location of assets, activities and sites of cultural significance away from areas at risk of climate change and natural hazards within a planned period of time.
* **The costs of adaptation will be shared:** by asset owners, banks and insurers, and local government.
* **Information on climate risk will be more freely available:**
* **Flood insurance may be introduced to respond to flood risk:** The plan is seeking feedback from New Zealanders on whether the Government should have a direct role in supporting flood insurance as climate change risks cause private insurance retreat
* **More research is proposed:** The Government proposes research into understanding the impact of climate hazards on property, preparing guidance for owners and builders to understand adaptation requirements.
* **More funding proposed:** The Draft Adaptation Plan proposes to invest in climate change initiatives such as the Climate Emergency Response Fund and the Sovereign Green Bond programme.

Feedback on the Draft Adaptation Plan can be provided until **3 June 2022**.

** Commentary**

* 1. **[State-owned supermarket idea ‘bad’](https://www.odt.co.nz/business/state-owned-supermarket-idea-%E2%80%98bad%E2%80%99)**

.New Zealand’s two supermarkets chains have come under intense scrutiny recently following the release of the Commerce Commission’s report into the sector, which found both companies were making excessive profits and controlled the market through a duopoly. Consumer New Zealand has since started a petition asking the Government to set up a state-owned supermarket or ensure access to smaller chains and new entrants as an option to improve competition in the sector.

Otago University department of marketing associate professor Sergio Biggemann said a state-owned supermarket would not constrain the rising cost of food and he does not believe a state-owned supermarket was a feasible option to bring down food prices. It would not have positive outcomes for consumers and would waste taxpayers’ money competing in a market it did not have experience in, he said. "It’s not their role to do that either."

Some of the Commerce Commission’s recommendations were "rather naive", especially asking the supermarket chains to be more open to collaborating with smaller players in the market, he said.

Creating a state-owned supermarket would be inefficient because it would only increase demand.

The potential chain would have to compete with the existing duopoly for wholesale products and the extra demand would drive prices higher, he said. It is very hard for a smaller chain, such as Night n’ Day, to set up in the market because some suppliers were not allowed to supply them. That was where the Government should focus its attention instead of creating its own supermarket chain.

* 1. **[Improving relationships](https://www.coastandcountrynews.co.nz/news/7218-improving-relationships.html) to provide more transparency**

**Fruit and vegetable growers who supply the domestic market have welcomed the Commerce Commission’s recommendations following its investigation into supermarkets.**

“These actions include a compulsory supplier code of conduct, the prohibition of unfair contracts and a disputes resolution scheme. If implemented, these recommendations would help reverse the imbalance of power that the commission identified in its investigation.

“The improved relationship along with greater transparency should ensure that growers get a better return on their investment, so they will continue to invest in fruit and vegetable growing so New Zealanders can eat healthy, locally produced food. “The greater transparency should also enable consumers to understand better the price they pay for New Zealand-grown fruit and vegetables.”

Nadine says grower returns have not increased for at least 10 years but retail prices and costs – including labour, freight and compliance – have steadily increased [see Farm share of retail prices, NZIER report, August 2019]. In addition, Covid-19 has brought about further, more recent, steep cost increases.

“New Zealanders have a stark choice. If we want to eat fresh, healthy New Zealand-grown vegetables, we must be prepared to support the New Zealand growers who grow them. Otherwise, New Zealand will have to start importing more frozen and canned vegetables.” Nadine says seasonality and the weather plays a significant role in the prices of fruit and vegetables. “In the winter, prices are higher because it is far more difficult and expensive to grow produce. “Right now, some vegetable prices are higher because there’s a shortage, partly due to wet weather in December and again in February, preventing growers from planting for up to three weeks. “Right now, growers are struggling to plant, pick and pack due to the labour shortages that Omicron is creating.”

* 1. [**A season of fatigue!**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/a-season-of-fatigue)

Summerfruit NZ chief executive Kate Hellstrom says growers are fatigued, worn down and in need of a really good break. It's been a hard and stressful year or the country's summerfruit growers. This is due to the pressure they have been under, during this and previous seasons, to get their fruit picked, packed and shipped to market. The critical labour shortage and threat of Omicron has made life difficult for growers.

In general, the majority of the orchards got most of the fruit picked under the difficult circumstances. In some cases, yield was better than expected. 3.2 million tonnes of summerfruit were exported this season, well up on the 2.5 million tonnes the previous year. But she points out that 2021 was a very bad season. On the whole, prices were quite good and that helped offset the lower yields on some orchards.

She says one of the biggest challenges facing exporters is the cost of freight and disruptions to airfreight in particular. "Freight rates have gone up tremendously and this will certainly have impacted on profitability," Hellstrom adds. "Previously some summerfruit was exported by sea freight, but now it is no longer possible for us to get fruit at the right quality offshore in ships - so it now has to be air-freighted at a much higher cost."( and most via Auckland rather than out of Christchurch).

***Kate provides some commentary on labour in particular and concludes by saying*** She says one positive has been getting more RSE workers into the country to help with the harvest. But Hellstrom says long term the industry needs to invest in more research, technology and management techniques that will reduce labour requirements.



* 1. **[Drought in Auckland’s rural south increases food prices](https://www.stuff.co.nz/national/politics/local-democracy-reporting/300591294/drought-in-aucklands-rural-south-pushing-up-food-prices-growers-say)**

According to vegetable growers in Auckland’s rural south, drought conditions are playing havoc with their operations and will only add to increased prices for consumers. It follows MPI declaring the drought a “medium-scale adverse event” in south Auckland and the Waikato on Monday, along with a support package for affected farmers and growers. The article has comments on the challenges being experienced by vegetable growers *A 2019 report identified* the area generates $327 million a year, which is the equivalent of 26% of NZ’s total domestic value of vegetable production.

* 1. [**“Zespri kiwis still have great potential to grow on the French market”**](https://www.freshplaza.com/article/9426952/zespri-kiwis-still-have-great-potential-to-grow-on-the-french-market/)

*An article about the arrival of Sungold kiwifruit in France . The article provides a potted history about Zespri’s 40 years and emphasises the effect put into producing quality product* “ while respecting their land, a value which is deeply embedded in the Māori and New-Zealand culture. They have this image of a nourishing land that must be protected, which goes far beyond any marketing goal.” Zespri kiwis are produced in New-Zealand and in Europe, so it is now possible to find some in France for 10 months a year. The goal is to have Zespri kiwis available all year round by juggling with the different origins. “. Consumers want Zespri kiwis, simply because they never disappoint. The product truly has great potential to grow on the French market.”

* 1. [**Zespri confident in Chinese market**](https://www.freshplaza.com/article/9427405/new-zealand-largest-exporters-confident-in-chinese-market/)

*Another article about Zespri kiwifruit this time from a Chinese marketers perspective* New Zealand's largest exporter of kiwifruit have expressed confidence in the future of the Chinese market and further expansion opportunities. Despite the impact of Covid-19, Zespri, the world's largest marketer of kiwifruit still sees strong growth potential in China, with demand forecast to double over the next five years, said the company's Executive Officer for Greater China Michael Jiang, adding China has been one of Zespri's largest markets for 20 years. Recent good news for New Zealand's export sector is the protocol on upgrading the China-New Zealand FTA, taking effect in April. The upgraded FTA makes exporting to China easier and reduces compliance costs for New Zealand exporters by addressing a range of non-tariff issues, such as a six-hour limit on customs clearance of perishable goods and proper storage while pending release.

* 1. [**All hands on deck to try and harvest New Zealand’s kiwifruit crop**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/all-hands-on-deck)

Many kiwifruit growers themselves have been out in the orchards with the picking crews and also helping out in packhouses to help ensure this season's crop gets harvested. At this point, the Ruby Red variety has all been picked and about a third of the gold crop has also been harvested, with workers now starting to pick the green crop.

NZ Kiwifruit Growers (NZKGI) chief executive Colin Bond there have been instances of staff who normally just pick the fruit, doing shifts in the pack houses on wet days when it's not possible to pick fruit. Bond says these initiatives, along with structural changes being made to the way the fruit is harvested, have given the industry more confidence that the crop will be harvested. *He notes that favourable weather and Omicron peaking ahead of the peak harvest has really helped.* *Another contributor has been the recent arrival of some RSE workers.* Bond says another thing that has helped is the fact that the industry has gained valuable experience working in a Covid environment during the last two years.

Colin Bond has some words of caution around media headlines that kiwifruit pickers can earn up to $60 an hour. He says it's wrong to set an expectation that anyone can earn that sort of money. "We are saying that pickers can earn $25 to $40 an hour and keep up the quality standards is very realistic," Bond told Hort News. He says the kiwifruit industry is based on quality and even a labour crisis can't compromise quality, which is what the Zespri brand is built on.

* 1. [**Tough road for kiwifruit’s eastern BoP growth**](https://www.farmersweekly.co.nz/kiwifruit-pickers-hard-to-find-in-bay-of-plenty/)

# *This article provides background on the labour challenges in Opotiki and one contractors concerns that increased planting on the coast past Te Kaha will have in sourcing labour* *. His concerns are well worth reading and provide a good summary of the key challenges in the eastern BoP . The article also talks with the CEO’s of Fastpack and Seeka, the two main post-harvest processors in the district, about the initiatives they have underway to get and retain labour.*

[Council considers pest management for wild kiwifruit](https://www.rnz.co.nz/news/country/467374/council-considers-pest-management-for-wild-kiwifruit)

Historically planted in "old-homesteads", wild kiwifruit has spread to parts of the Marlborough Sounds - carrying with it the potential to harm native plants. A review of the Marlborough District Council pest management plan was undertaken in 2017. Kiwifruit Vine Health submitted on that review, and in 2018 asked the council to include wild kiwifruit as a recognised pest, saying it impacts indigenous biodiversity, and is also a reservoir for disease organisms such as Psa and pests such as fruit flies and stink bugs.

Marlborough District Council senior biosecurity officer Rob Simons this week said the council was not in a position to include wild kiwifruit in the council's pest management plan in 2018, because they did not know enough about it. "But what's happened since then, through other work in the Marlborough Sounds, we have found kiwifruit plants, and from those plants we have actually discovered satellite infestations of wild plants," Simons said. Through the Jobs for Nature project, a $1.219 billion programme introduced as part of the Covid-19 response, some "control work" had been undertaken to remove wilding plants.

* 1. [**New Zealand apple industry intends to be 'spray-free' by 2050**](https://www.stuff.co.nz/business/farming/128560716/new-zealand-apple-industry-aims-to-be-sprayfree-by-2050)

New Zealand’s apple industry is working towards becoming spray-free by 2050, as this move should allow it to hold on to high-value export markets. To achieve this, the apple industry has received $15 million in funding*. They are investing in a* seven-year research program to work towards sustainable production practices. The program will look to reduce agrichemical use by employing targeted and smart technologies, like remote sensing, to detect pests. It would also use new apple varieties that were more resistant to pest and disease. The programme aims to reduce pesticide application by 50% by 2030. Achieving a spray free status by 2050 would reduce the industry’s greenhouse gas emissions by 35%

* 1. **[Organic apple grower continues export to Russian Federation](https://www.freshplaza.com/article/9428264/new-zealand-organic-apple-grower-continues-export-to-russian-federation/)**

New Zealand organic apple grower, Bostock, continues to supply apples to Russia. The owner of the multi-million dollar Hawke's Bay operation, John Bostock, confirmed the company is shipping containers of apples to Russia. However, according to Bostock, the move is under review.

According to industry sources, Bostock's move has caused enormous frustration among other growers and exporters who have stopped trading with Russia after its invasion of Ukraine. It is not illegal to send food products to Russia under the new sanctions regime but many companies, including apple exporters, have pulled out at a substantial cost to their business. Parliament passed the Russia Sanctions Bill in mid-March. At that time New Zealand Apple and Pears Inc sent a memo to members pointing out that it was not illegal to send apples to Russia, but warning them there were greater risks with shipping and payment due to the international sanctions.

* 1. [**All apple growers faced with dilemma of shipping products to Russia**](https://www.stuff.co.nz/national/the-detail/300591969/the-detail-the-complexities-of-pulling-products-from-russia)

Although it's not illegal to send food products to Russia, many NZ exporters are taking a stand against the invasion of Ukraine and boycotting the market. However, halting shipments to former clients can be quite complex and will impact businesses quite a lot. Apples and pears are New Zealand's second biggest export to Russia. In 2020, they were worth $19.8 million, a far cry less than our butter exports, valued at $115 million. Freshco's Russian trade was worth up to $6 million, but the economic environment created by Russia's war on Ukraine has made continuing business a tough sell. Freshco partner John Mangan says he hopes to restart the relationship if the situation ever eases up, but the Russian market is adapting to Western sanctions. "Since this has happened, the Russian market has opened up to Chinese apples, surprisingly enough. "It'll probably mean that market for us, long-term, will be diminished."

New Zealand's largest organic apple grower, Bostock, is continuing to send fruit to Russia. Owner John Bostock says the company condemns the Putin regime but backs the supply of “humanitarian food shipments" into Russia and Ukraine.

* 1. **[Just the juice for family of orchardists](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/just-the-juice-for-family-of-orchardists)**

In a Covid-constrained season, where many horticulturists are struggling with the lack of labour, family-run Mill Orchard - at Loburn, just north of Rangiora - is enjoying a great harvest. "It's a good crop that's come off and we have staff. The company specialises in 'nutrient-rich' natural organic juices pressed onsite. After starting orcharding in the 1980’s he later established an export pack house. White says they later turned to juicing when they realised, they had a lot of juice-grade fruit going to waste. Their aims was to provide an alternative to the established major brands, which often contained a lot of added sugars, colours, flavours or concentrates.

Initially sold alongside their bagged apples at local supermarkets, the juice has steadily taken over and is now sold nationally, primarily through Foodstuffs. Exports are , mainly to Southeast Asia, Taiwan and China, make up about 20% of the volume and growing, White says. In the last 18 months, the Whites have launched two new products in their "Life" range with added health promoting ingredients - such as turmeric, ginger and mānuka honey. The company also manufactures its own bottles onsite, using recycled bottles in the form of rPET pellets. "It's about the smallest carbon footprint you can possibly get," White explains. "Our labels are rPET. Recycling is the way of the future."

"Because we juice 12 months of the year," White explains. "A lot of the fruit that we've actually grown for juice ourselves, we store until later this year, early next year ."Apart from a few low-volume imported ingredients - like the spices in the Life range - almost everything comes from the Whites own or other New Zealand orchards. The juices are carefully blended to keep the flavours consistent throughout the year. "If we can source it in New Zealand, we do. All the apples, all the oranges, lemons, blackcurrants, boysenberries, and mānuka honey. "Each tonne of pressed fruit yields 700-750 litres of juice, for an annual production between 1.5 to 1.8 million litres.

* 1. **[Little Beauties: The Nelson company using food no one else wants](https://www.stuff.co.nz/business/prosper/300588118/little-beauties-the-nelson-company-using-food-no-one-else-wants)**

Little Beauties co-founder Tristan Wastney says technology is the key to increasing the amount of fruit they can turn into premium snacks. The company dehydrates fruit. *They started with the feijoas that would otherwise have been wasted from their orchard and then* began to see there may be a demand for dehydrated New Zealand fruit.

*Then they moved to dehydrate gold kiwifruits and the family began to look at other fruits they could use that would otherwise go to waste. They had fully embraced the concept of “leave no fruit behind” and extended their range to include boysenberries, raspberries and blueberries.*

*The article describes the process they went through over three years designing and building equipment to mechanise the peeling and dehydrating process and then looks at their marketing and a decision to be direct to market provider to overseas markets.*

To grow the business the family created a 50-year plan that included the use of investors to help growth. “We’ve had to raise a lot of money; we’ve raised just under $5 million in the last two years, and we’re in the midst of another $4 million capital raise to try and keep things going.” The company often has three to six months of production, in line with fruit seasons, and need to predict how much they can sell in the following 12 months. Investment has helped to smoothen the pain of large upfront investments before the sales come in.

* 1. **Oakley’s using new technologies to become more sustainable**

At 220kw the installation at Oakley’s Premium Fresh Vegetables post-harvest site in Southbridge is one of the largest in the South Island. Oakley’s worked with CPS Solar to implement the grid-tied solar system, where significant tons of spuds will be washed and graded using natural sun power.

This reduces carbon emissions while efficiently storing, washing, packing and dispatching fresh vegetables across the country.

“Work has been ongoing with what we are doing to reduce the impact we are having on the environment with precision agriculture techniques having been introduced over the years,” business founder and managing director Robin Oakley says. “New technology is being continually introduced and this journey with solar power is the next natural step for us as we move to increase sustainability in our business operations and to meet strategies and goals of industry and government.”

The project complements the three Ballance Farm Environment awards Oakley’s won in 2020 for excellence in soil management, scientific monitoring and innovation. The business, taking in six generations of family, is harnessing the latest technology in other areas as well with extensive use of on-farm moisture probes that accurately measure soil moisture. The data are used to forecast irrigation needs in conjunction with up-to-date weather forecasts and crop demands. Oakley’s also carries out soil and plant nutrient testing to ensure timing and amount of fertiliser applications maximise the quality and yield.

The balance of the article talks about the evolution of the business from being a supplier of seed potatoes to the development of the brand Oakley’s Premium Fresh Vegetables which supply’s exactly that to local and domestic markets. The business grows, harvests, packs and sells fresh produce all year round, including varieties of potatoes, broccoli, beetroot and pumpkin. Oakley says the diverse team is committed to providing NZ their favourite vegetables with a commitment to quality from crop to supermarket being the family’s mission. This was affirmed with the family business taking out the NZ Food Hero award at the NZ Food Awards 2021.

* 1. [**Plant Pass scheme**](https://www.floraldaily.com/article/9427547/nz-learn-about-the-plant-pass-scheme/) **to enhance biosecurity**

Plant Pass, the new multisector plant production biosecurity scheme, was formally launched on May 16 and already has about 40 nurseries registered, with ten fully certified. Plant Pass is the plant production sector’s commitment to prevent the spread of pests

Plant Pass is the result of three years of work. It is one of the similar industry certification schemes already operating in Australia, Britain, Europe, and the United States. It is being funded and organized jointly by MPI and primary sector industry bodies through the Government Industry Agreement (GIA). The GIA Operational Agreement partners are MPI, Forest Owners’ Association, NZ Avocado, Kiwi Vine Health, NZ Winegrowers, Citrus NZ and NZPPI.

The Plant Buyers’ Accord has been established as a mechanism for buyers to influence, encourage or require their plant producers to participate in Plant Pass. Alongside Ministry for Primary Industries, four other major groups have signed the Accord: New Zealand Avocado and Kiwifruit Vine Health, the Department of Conservation, and Auckland Council. New Zealand Avocado Biosecurity and Programme Manager Brad Siebert says New Zealand Avocado encourages their growers to purchase avocado plants from Plant Pass certified nurseries. Alongside this, New Zealand Avocado requires avocado nurseries to meet the Plant Pass core standard as a prerequisite for the industry’s own standard (AHHS).

* 1. **[Maersk to open integrated cold chain facility in Waikato](https://www.freshplaza.com/article/9427798/maersk-to-open-integrated-cold-chain-facility-in-new-zealand/)**

Maersk continues to integrate end-to-end cold chains with the announcement of a new 45,000 sqm cold chain facility in the Waikato District. By integrating the state-of-the-art cold store with the depot and intermodal connections, Maersk will provide better logistics solutions for both import and export customers, catering for their increasing needs for more efficient, tech-enabled and temperature-controlled supply chains.

Strategically located in the Ruakura Superhub, adjacent to the Ruakura Inland Port, providing a seamless link to the Ports of Tauranga and Auckland, allowing the facility to better service both the export regions and the key import markets in the North Island. Maersk has entered an agreement with Tainui Group Holdings (TGH) for a long-term ground lease to build the facility, which will start operation in late 2023.Upon completion, the new facility will have more than 16,000 sqm of fully convertible temperature-controlled space with temperatures ranging from -25°C to 15°C. It can provide storage for over 21,000 pallets of cold chain products. The facility will feature advanced energy management including an environmentally friendly CO2 cooling plant, solar energy, rainwater harvesting and a low carbon policy for the construction. It targets to achieve an audited 5 Star Green Star rating in New Zealand.

* 1. [**Energy costs may drive greenhouse growers**](https://www.hortnz.co.nz/news-events-and-media/media-releases/heat-on-greenhouse-growers) **out of business**

*A very good article that looks at the alternatives greenhouse growers may be able to use to as viable alternatives to gas and coal, as prices soar and growers seek to reduce their carbon emissions. It interviews a range of glasshouse growers about the options they are considering and then finishes with the following context.*

Simon Watson, director, NZ Hothouse Ltd, and deputy chair of industry organisation TomatoesNZ, said they had been assured 20 years ago, that if they built there would be gas. “We have the perfect storm. The government is hell-bent on decarbonising the country. This creates huge pressure in the (gas) market. Large greenhouse operations will end up with stranded assets. The government is legislating us out of business and it’s ideologically driven. “At the moment, we have a (gas) contract we can live with. The question is what happens when we come off that. Options like electricity cost too much. Our whole operation is built around gas so what do we do? Walk away from tens of millions in assets, 300 jobs and 25 percent of the New Zealand tomato industry, or potentially import product from Australia or China, which would be crazy. “This will be a very big issue over the next couple of years. The idea to decarbonise is good, but they (the government) haven't thought it out.’

* 1. **[Canterbury subdivision causes rift between residents developer](https://www.newshub.co.nz/home/new-zealand/2022/05/canterbury-subdivision-causes-rift-between-residents-developer.html)**

More prime cropping land is under threat in Canterbury as Lincoln residents are upset their concerns have gone unheard as a developer eyes up a slice of their paradise. An independent commissioner has given a draft recommendation to Selwyn District Council to go ahead and nearly double the town.

Senior soil science tutor Roger McLenaghen told Newshub that the soil is versatile and fertile.

"You can grow lots of different things here so you could use them for cropping, market gardening, pasture grazing animals." But the land could soon be a growing community with plans for nearly 2000 more homes on just under 200 hectares of what is currently rural land in Lincoln. More than 200 submissions were made on the plan change, showing very few are in favour. "You can't overstate the disappointment, the slap in the face that this commissioner's recommendation is to the people who have taken the time to engage in the process," said Elder.

* 1. [**Union pushes for reform to RSE scheme**](https://www.rnz.co.nz/international/pacific-news/467248/union-pushes-for-reform-to-rse-scheme)

The Amalgamated Workers Union is calling for reforms to New Zealand's RSE workers scheme.

The union leads demands for fairer pay and better living conditions for migrant workers from the Pacific Islands who have limited worker rights in New Zealand.

Union regional organiser, Michelle Johnstone, said RSE workers had no negotiating power with their employers and most were paid on piece rates that had not increased over the last decade. "They need to be able to have bargaining power with their employer, because they're bonded to their employer if they have a disagreement or feel they're not getting a fair choice, or even abused," she said.

"They can't leave

** Bits and pieces**

* 1. [**United Fresh MPI Food Residues Survey Programme (FRSP) results available**](https://fpsc-anz.us6.list-manage.com/track/click?u=c73673335989d1fc2801530c8&id=712bef4ae8&e=f93013672e)

The long running programme monitors fresh produce available from domestic market outlets. The programme objectives are:

* To establish that agrichemical use on produce in New Zealand follows good agricultural practice.
* To provide assurances that the food consumers eat is safe and suitable.

This report is well worth reading and highlights the risks and challenges associated with off label use of agrichemicals which are of critical importance to growers (especially for minor crops). Off-label use means more stringent controls for growers including the requirement to meet a default MRL of 0.1 mg/kg in NZ. The report is available [here](https://fpsc-anz.us6.list-manage.com/track/click?u=c73673335989d1fc2801530c8&id=712bef4ae8&e=f93013672e).

* 1. **[Fresh Produce Safety Centre launches 3 new food safety resources](https://fpsc-anz.com/2022/03/22/fpsc-launches-new-food-safety-resources-2022/?mc_cid=9be462e9f3&mc_eid=f93013672e)**

The Fresh Produce Safety Centre (FPSC), launched three new simple food safety [flyers](https://fpsc-anz.com/publications-resources/) in March for the fresh produce industry. The three flyers draw from chapters from the FPSC’s [Guidelines for Fresh Produce Food Safety](https://fpsc-anz.com/food-safety-guidelines-2019/), and are easy-to-understand tools for businesses across the supply chain. The three flyers focus on:  [Managing water](https://fpsc-anz.com/wp-content/uploads/2022/03/FPSC-Guidelines-Managing-Water.pdf)  [Managing chemicals](https://fpsc-anz.com/wp-content/uploads/2022/03/FPSC-Guidelines-Managing-Chemicals.pdf) [Managing people](https://fpsc-anz.com/wp-content/uploads/2022/03/FPSC-Guidelines-Managing-People.pdf)

Businesses, small and large, are encouraged to promote these resources to increase knowledge and improve practices for optimum food safety. The FPSC plans to produce more flyers on other topics from the [Guidelines for Fresh Produce Food Safety](https://fpsc-anz.com/food-safety-guidelines-2019/).

* 1. [How much glyphosate is on your food? Who knows](https://www.stuff.co.nz/business/farming/128620845/how-much-glyphosate-is-on-your-food-who-knows)

There is no clear data on how much glyphosate is used to grow food on New Zealand farms, the Environmental Protection Authority says. [Glyphosate is the world’s most commonly used herbicide.](https://www.stuff.co.nz/national/124553601/should-councils-stop-using-the-weedkiller-glyphosate) In 2015 the World Health Organisation’s International Agency for Research on Cancer (IARC) classified glyphosate as “probably carcinogenic in humans”, prompting several countries to ban, or restrict its use. But other studies have since contradicted that, or been inconclusive. *The article provides some estimate of how much of the herbicide is used in NZ in a range of situations*.

A 2021 New Zealand Institute of Economic Research report estimated glyphosate sales made up 11% of total herbicide sales and 5.5% of all pesticide sales nationwide. It was hard to ensure that chemical use complied with existing controls and regulations, Upton said. Importers and manufacturers should be required to report the annual quantities of chemicals imported and manufactured to the Environmental Protection Authority, Upton said.

There were roughly 150, 000 substances approved for use in New Zealand, that were used in 30,000 chemicals. There was no comprehensive national database on imports, manufacturing or sale, Upton said. Countries like the United Kingdom had data spanning over 50 years on pesticide use by area, weight and region.



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. **European Commission Launches Public Consultation on its Upcoming Proposal on Sustainable Food Systems** [European Commission Launches Public Consultation on its Upcoming Proposal on Sustainable Food Systems \_Brussels USEU\_European Union\_E42022-0037](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=European%20Commission%20Launches%20Public%20Consultation%20on%20its%20Upcoming%20Proposal%20on%20Sustainable%20Food%20Systems%20_Brussels%20USEU_European%20Union_E42022-0037)
2. **South Africa Fresh Deciduous Fruit report** [Fresh Deciduous Fruit Semi-annual\_Pretoria\_South Africa - Republic of\_SF2022-0013](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Fresh%20Deciduous%20Fruit%20Semi-annual_Pretoria_South%20Africa%20-%20Republic%20of_SF2022-0013)

 **Business/ Industry**

* 1. [**Shipping costs far outstrip production costs on Eastern Cape citrus farms**](https://www.freshplaza.com/article/9427801/shipping-costs-far-outstrip-production-costs-on-eastern-cape-citrus-farms/)

*As an insight to the woes of another Southern hemisphere horticultural exporting country this article gives a good insight into the challenges they face. The challenges are similar but different in magnitude to some of ours. This article discusses recent strikes on citrus properties in the River Valley area. It mentions that* “intimidation kept citrus workers away and two people were killed, one during an attack on a farm at the start of the strike and the other during a protest.” *There were also reports of arson and other property damage.*

*And that’s just the production issues. Fruit now needs to be trucked further to ports where ships still call and a range of other input costs have increased . The author comments* “My forecast is that between 40% and 60% of South African citrus producers cannot break even under current conditions”.

* 1. [**Food prices to go up more if 'triple-dip' La Niña creates more chaos**](https://www.freshplaza.com/article/9427821/food-prices-to-go-up-more-if-triple-dip-la-nina-creates-more-chaos/)

The price of food hasn't been this high in Australia since the last time the nation had back-to-back La Niña weather systems. This happened a decade ago, but now there's a chance the country could be in for a rare "triple-dip" La Niña. That would mean a continuation of the devastating weather that has lashed Australia's east coast farming regions this year. Experts say these events have created an "unprecedented" confluence of both domestic and international pressures that are impacting supply chains and driving up food prices.

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

* 1. **[China’s lockdowns force fruit exporters to divert to Southeast Asia](https://www.freshplaza.com/article/9428143/china-s-lockdowns-force-fruit-exporters-to-divert-to-southeast-asia/)**

*An article about the Chinese company “World fresh exports” and the effect Covid is having on their trade in imported fruit* It comments –China’s two largest cities, Shanghai and Beijing, have been impacted by lockdowns on and off for a while and the impact on the produce industry is being felt. “Shanghai handles more than one-third of the fruit that’s arriving in the Chinese market,” says Ricky Chong with World Fresh Exports. The lockdown causes arrival delays, but probably worse is the fact that nobody wants to go to Shanghai to pick up loads. “Truckers don’t want to make the drive as they will need to self-quarantine for 14 days after coming back. This means they can only truck about two loads per month, which is not sustainable.” As a result, Chong has seen trucking rates for Shanghai increase by about 500 percent.

Due to the delays that are being caused by the Port of Shanghai being in lockdown, World Fresh Exports is now moving its domestically grown fruit through the port of Shenzhen. “It has been fantastic as it is an ideal port to supply countries like Vietnam and Malaysia,”

They also say in response to the lockdowns, many countries are diverting fruit to other markets, away from China. “We are seeing other Asia markets being flooded with fruit, but some countries also start focusing on different continents,” said Chong. “Australia is increasingly sending fruit to Southeast Asia. It is a necessity to develop markets in other Asian countries. “When asked if the Chinese consumer still has access to produce, Chong mentioned the Chinese population is eating more local food. “

 **Food safety**

* 1. **US Sprouting industry recommend to improve safety practices to limit foodborne outbreaks**

This guidance document is intended to inform the sprout seed industry (seed growers, conditioners, packers, holders, suppliers, and distributors) of the FDA’s serious concern with the continuing outbreaks of foodborne illness associated with the consumption of raw and lightly-cooked sprouts and to provide our recommendations to firms throughout the production chain of seed for sprouting. Throughout this guidance document, we refer to everything that can be sprouted, including beans, as “seeds.”

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law. FDA guidance documents, including this guidance, should be viewed only as recommendations unless specific regulatory or statutory requirements are cited. [Download the Guidance](https://www.fda.gov/media/127972/download).



* 1. **[Ocean-going vessels to capture CO2 for greenhouses](https://www.verticalfarmdaily.com/article/9427934/ocean-going-vessels-to-capture-co2-for-greenhouses/)**

Eastern Pacific Shipping and Value Maritime Have teamed up to install the first carbon capture solution onboard a pair of tankers. The Singapore-based tonnage provider will retrofit two MR tankers with carbon capture systems, making them the largest ocean-going vessels fitted with carbon capture technology to date.

The CO2 battery used for this will be discharged in port and subsequently used by CO2 customers, such as greenhouses, or injected into carbon sequestration networks. The discharged battery will be returned to the vessel for CO2 recharging. This ‘plug and play’ approach allows vessels to capture up to 40% of CO2 emissions today, with the potential of exceeding 90% in the future. Coupled with alternative fuels, biofuels, and other solutions, carbon capture is a crucial step in accelerating the shipping industry’s decarbonization efforts ahead of IMO targets.

In addition to its carbon capture capabilities, the Filtree System also removes oil residue and particulate matter from the wash water, ensuring its PH value is neutralized and contributes to reducing the acidification of seawater.

* 1. [**Green hydrogen solution for Australian agriculture, ready for investment**](https://www.hortidaily.com/article/9427828/green-hydrogen-solution-for-australian-agriculture-ready-for-investment/)

Powering the future and achieving net-zero is one of the greatest challenges of our time. Hydrogen, the most abundant element in the universe, presents a unique opportunity – when it’s converted to green hydrogen. HydGene Renewables is developing carbon-neutral and high purity hydrogen solution, produced onsite at the farm, from renewable plant-based feedstocks, which removes the high costs of transport and storage, long associated with hydrogen. Its goal is to reach AUD$2 per kilogram, HydGene energy will be cost-competitive with fossil fuels, replace grey hydrogen and help to fast-track the green hydrogen economy – all the while edging the world that bit closer to the 2050 net zero carbon emissions target.

HydGene is able to take the sugars from feedstocks, such as straw and food waste. Using synthetic biology, they reprogramed the bacterial microbes using the DNA blueprint of algae to turn these sugars into clean, renewable hydrogen gas. The team first started looking at straws and how they could extract the sugars. It’s a plug-and-play approach. Feeding the sugars from the feedstock directly into the biocatalyst to produce hydrogen, with the ability to turn it off and on, so you have control for making the hydrogen.

HydGene focuses on three areas i.e. using hydrogen for; ammonia production , transport (powering vehicles), and seasonal energy storage. Using this technology onsite, farmers can make clean hydrogen on-site and on-demand, which eliminates the need, complexities, and high costs of storing and transporting hydrogen to the end user.

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