

**PMAC weekly update 15th to 22nd October**

1. **Government agencies**: September 2018 Situation and Outlook for Primary Industries; WTO Notifications; Customs Annual Report now available
2. **New Zealand News:**  New High Commissioner to Malaysia and Singapore; New Ambassador’s announced for Timor Leste; Italy and the United Arab Emirates; New Zealand hosts RCEP round; Reform of the World Trade Organization focus of North American talks; MFAT 75th anniversary speech; Country of Origin labelling a step closer to law; Female Horticulture NZ group members sought; Many ways for our crop growers to adapt to climate change; Robots to train vineyard and orchard workers to do a better job; Tomatoes NZ agroecology projects hoping to reduce r pest-reducing chemicals; Conservation comment: Lawsuit adds weight to call to restrict weed killers; Conservation comment: Lawsuit adds weight to call to restrict weed killers; Will consumers pay up for glyphosate-free production?; More funding to tackle fruit flies in Australia; Psa confirmed in Australian kiwifruit orchard
3. **International news:** GAIN reports; US Treasury sends China warning shot regarding currency; The Obstacles Facing China's World-Leading Kiwifruit Industry in 2018; Belgium: Soil passport as new tool to more sustainable management of agricultural parcels; China: Online trade of fresh produce increased by 23.5% in first half of 2018; Cleaner, fresher and more exotic foods the trend for 2019; Flexitarian’ diets key to feeding people in a warming world; "Insect pests will increase due to climate change"; New sustainability pact between Panalpina and CMA CGM; Fairtrade sees 9% sales growth in 2017, exceeding €8 billion for first time; Belgium: Soil passport as new tool to more sustainable management of agricultural parcels; Breeding companies are leaving Europe due to CRISPR-Cas ruling; Aerobotics presents AI app to identify crop problems

***Editors comments***

*An interesting range of articles this week. MFAT is in the spotlight with a speech from Winston Peters at its 75th Anniversary. This article outlines the Governments approach to international affairs especially the value it puts on adequate funding and personal networking. Also noteworthy is the high number of new Ambassadors and High Commissioners appointed over the last week.*

*Glyphosate has been in the local news again and two very different articles are provided-one that calls for its banning because of the high degree of risk and the other showing that while glyphosate is categorised as a low grade carcinogen (on a par with hot drinks above 65oC) its removal would have an hugely negative impact on global food production.*

*On a broader front the potential positive future for horticulture is highlighted in several articles. MPI’s report shows how horticulture is growing, The article on climate change in NZ identified horticulture presently occupies only 12,000 hectares of the 2 million hectares in NZ suitable for horticulture and in the international section an article on flexitarian (plant based ) diets identifies how quickly this trend is growing.*

1. **Agency news**



* 1. **September 2018 Situation and Outlook for Primary Industries**

New Zealand’s primary industry export revenue is forecast to reach $43.8 billion for the year to June 2019, an increase of 2.5% from 2018.The latest situation and outlook report from MPI for September 2018 was released last week .

"Horticulture and dairy are the driving forces behind the increase forecast for 2019. Horticulture exports are forecast to rise by 13.1% to $6.1 billion for the year ending June 2019. Improved growing conditions for the most recent harvest has led to higher yields for kiwifruit and most other horticultural products. The next Situation and outlook for primary industries report is due to be released mid-December.

Meanwhile, a new MPI website section (Economic Intelligence Unit) was also published today. The section is designed to make MPI's data and analysis, like situation and outlook reports, more accessible. [Check out the new Economic Intelligence Unit section](https://www.mpi.govt.nz/news-and-resources/economic-intelligence-unit/) [Full article available here](https://www.mpi.govt.nz/news-and-resources/media-releases/september-2018-situation-and-outlook-for-primary-industries/)

MPI released its latest Situation and Outlook report this week which showed revenue was forecast to reach $43.8 billion. Horticulture was expected to be the fastest growing sector after unfavourable growing conditions led to more moderate gains in 2018. Kiwifruit export was forecast to rise 22.6 per cent, driven by a very strong kiwifruit harvest in March-April 2018 following a poor harvest in 2017, and rising kiwifruit prices. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12144411)

* 1. **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](mailto:Plant.exports@mpi.govt.nz) so that they can potentially make a submission to the notifying country. Changes notified over the last week include:

From the EU a supplementing Regulation (EU) 2016/2031 on protective measures against pests of plants, authorising Member States to provide for temporary derogations in view of official testing, scientific or educational purposes, trials, varietal selections, or breeding see here [EN](https://docs.wto.org/imrd/directdoc.asp?DDFDocuments/t/G/SPS/NEU276.DOCX)

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* 1. **Customs Annual Report now available**

We have published our [2017/18 Annual Report](https://govt.us11.list-manage.com/track/click?u=5bcebe8ff41247a98e67420c5&id=23be9c3c22&e=e76458644d) on our website.



1. **New Zealand News**



* 1. **New High Commissioner to Malaysia and Singapore**

Foreign Affairs Minister Winston Peters has announced the appointment of

* diplomat Hunter Nottage as High Commissioner to Malaysia. Mr Nottage is currently Manager of Trade Law at the Ministry of Foreign Affairs and Trade.  He has served as Senior Adviser to the Minister of Trade, as a WTO dispute settlement Panellist, and in New Zealand’s Embassy to Argentina. The High Commission in Kuala Lumpur is also accredited to Brunei. [Full article available here](https://www.beehive.govt.nz/release/new-high-commissioner-malaysia-announced)
* diplomat Jo Tyndall as High Commissioner in Singapore. She is currently New Zealand’s Climate Change Ambassador at the Ministry of Foreign Affairs and Trade and since 2016 she has also been Co-Chair of the UNFCCC’s Ad-hoc Working Group on the Paris Agreement. [Full article available here](https://www.beehive.govt.nz/release/announcement-new-high-commissioner-singapore)
  1. **Announcement of new Ambassador to Timor Leste, Italy and the UAE**

Foreign Affairs Minister Winston Peters announced the appointment of

* + diplomat Philip Hewitt as Ambassador to Timor-Leste . “Mr Hewitt is currently Unit Manager in the Partnerships, Humanitarian and Multilateral Division, . [Full article available here](https://www.beehive.govt.nz/release/announcement-new-ambassador-timor-leste)
  + diplomat Anthony Simpson as Ambassador to Italy .“Mr Simpson is currently Unit Manager of the Europe Division at the MFAT. As Ambassador to Italy Mr Simpson will also be cross-accredited to Albania, Bosnia and Herzegovina, Croatia, Cyprus, Greece, former Yugoslav Republic of Macedonia, Montenegro, San Marino, Serbia and as Permanent Representative to the Food and Agriculture Organisation. [Full article available here](https://www.beehive.govt.nz/release/announcement-appointment-new-ambassador-italy)
  + Matthew Hawkins as New Zealand’s next Ambassador to the United Arab Emirates. He is currently Unit Manager of the Middle East and Africa Division and has previous experience in New Zealand embassies in Addis Ababa, Washington DC and Tehran” . The UAE is the entry point into the Middle East region for many New Zealand businesses and travellers, with two way trade over $3 billion in 2017. The New Zealand Embassy in Abu Dhabi, the United Arab Emirates, is also accredited to Qatar.[Full article available here](https://www.beehive.govt.nz/release/announcement-new-ambassador-united-arab-emirates)
  1. **New Zealand hosts RCEP round**

Last week Damien O’Connor welcomed officials from 16 countries attending negotiations for the Regional Comprehensive Economic Partnership in Auckland. “RCEP negotiations were launched in November 2012 and include 16 countries: New Zealand, Australia, the 10 countries of ASEAN (the Association of South East Asian Nations), China, India, Japan and South Korea. The 24th RCEP negotiation round in Auckland closes on 27 October. More information is [here](https://www.mfat.govt.nz/en/trade/free-trade-agreements/agreements-under-negotiation/regional-comprehensive-economic-partnership-rcep). [Full article available here](https://www.beehive.govt.nz/release/new-zealand-hosts-rcep-round)

* 1. **Reform of the World Trade Organization focus of North American talks**

Minister for Trade and Export Growth David Parker heads to Washington DC and Ottawa this week to advance New Zealand’s interests in reform of the World Trade Organization and global trade rules.

In Washington he will meet US Trade Representative Ambassador Robert Lighthizer and other key trade figures.

David Parker will then fly to Ottawa to meet representatives of like-minded WTO members to discuss reform of the multilateral trading system. “I will be working with the other 12 Ministers to ensure we send a strong signal of support to the WTO and its membership. New Zealand is generating concrete ideas on how to improve the WTO’s monitoring, dispute settlement and negotiating functions.”

The countries represented are Australia, Brazil, Canada, Chile, the EU, Japan, Kenya, Korea, Mexico, New Zealand, Norway, Singapore and Switzerland.   [Full article available here](https://www.beehive.govt.nz/release/reform-world-trade-organization-focus-north-american-talks)

* 1. **MFAT 75th anniversary speech**

Winston Peters speech to the MFAT **“***75th anniversary. Is available on the Beehive web site. His speech provided the following key messages*

New Zealand’s fundamental principles are clear to us all and universally accepted – we value and advocate an international rules-based order, we value the western democratic model that our history has shaped, and we value the fundamentals of human rights and legal frameworks. Identifying this is the easier bit.  Harder is knowing how to successfully defend those principles when they come under real-power pressure, regardless from whom.

For 75 years, New Zealand has prioritised safeguarding our national security and seeking international peace, developing commercial opportunities for New Zealanders, and preserving the environment and natural resources. In that sense our foreign approach has stayed much the same.  What is changing is the resurfacing of some past trends. Looking across the globe today it is possible to identify trends along the fault lines of authoritarianism, nationalism, and isolationism. Worryingly, all those trends have existed in the past.

Of course, also understanding exactly what’s happening in the world as we speak is, simply put, critical. Yet current day digital media platforms blur the picture. There are clear risks to New Zealand in a world where misinformation on digital platforms can be used by those with malign intent to support the growth of authoritarianism, isolationism and nationalism.  These platforms create a new frontier for governments and foreign ministries, to address.

Knowing how to resolve foreign policy challenges in these digital echo chambers is something else.  A foreign ministry will not find enduring political solutions by following Presidential social media. Real solutions are worked out through thorough analysis of information, consideration of the real underlying issues, and hard-headed evaluation of possible solutions. This needs to be based on real connections, personal relationships, an acute understanding of realpolitik, and an understanding of the environment from which information is emanating.

For the first time in a decade, funding the Ministry properly, addressing a deficit of capability and resources critical for New Zealand to hold its ground and make its mark. We are stepping up to fund Pacific aid and directing it to where it can make a difference.  Support and influence cannot come without resources spent consistently and well to build regional options and resilience.  We are also starting to rebuild the state of our defence assets. The Pacific region continues to be affected by the problems of the world as well as those that are of domestic origin, Managing the relationships between big powers remains a genuine factor in the Pacific region today. The importance of avoiding war and preserving peace as a regional priority has also been underlined by learned experience.

History has judged New Zealand kindly. As a country we have taken actions, and tested relationships, based on our principles.  The nuclear free stance from the 1970s through to the 1980s is one such example. The sense of independence that New Zealand holds today will also guide our future foreign policy choices. Greater self-reliance, underpinned by the strength of our convictions and underwritten by the resources required to give power to our voice, is the path that this government has set. With greater self-reliance comes self-respect. Both will inform our independent voice when we choose to exercise it.

The future requires our foreign ministry to keep-on keeping on. New Zealanders think of themselves as practical, fair-minded, adaptable and tolerant people.  Without overwhelming economic or military power we need to continue to strongly support international rules and be prepared to speak up in their defence.  Far from this being a naïve position, as is sometimes claimed, this remains New Zealand’s real politik. What other option do we have? We also need a future Ministry to maintain an acute foreign policy compass to secure New Zealand’s security and trade foundations, an eyes wide open approach to risks to our strategic or economic opportunities, and a fundamental strength in forming robust, trusted, and enabling friendships. [Full article available here](https://www.beehive.govt.nz/speech/%E2%80%9C-longer-you-can-look-back-further-you-can-look-forward%E2%80%9D)

**General**

* 1. **Country of Origin labelling a step closer to law**

Horticulture New Zealand is thrilled that mandatory Country of Origin labelling for fruit and vegetables got a step closer today, with the second reading of the Consumers’ Right to Know (Country of Origin of Food) Bill passing in Parliament. "Our research showed that more than 70 percent of New Zealanders want mandatory Country of Origin Labelling (CoOL) for fruit and vegetables, so it is great to see the Government continuing to listen to consumers by progressing this Bill," Horticulture New Zealand chief executive Mike Chapman says.You can read the bill [here](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/00DBHOH_BILL72059_1/consumers-right-to-know-country-of-origin-of-food-bill). [Full article available here](http://www.freshplaza.com/article/9033769/country-of-origin-labelling-a-step-closer-to-law/)

* 1. **Female Horticulture NZ group members sought**

Nominations for membership of a new national Women In Horticulture leadership group are being sought as part of the group's establishment process. Those who wished to put their name forward for membership of the group have until noon on November 2 to get their nominations in. ''The group will operate independently of HortNZ, although the industry body will provide administrative support.

The group would be open to all those involved within the horticulture industry, including men.

Nominations for 10 inaugural members are being sought, but once the group has been established it will develop its own Terms of Reference, elect officers and decide how many people it requires.

The group will work at a national level.

The idea for the leadership group was first discussed following the release of a report by market research group UMR during the 2017 conference. The report - identified the lack of women in leadership and governance roles within the horticulture industry as a ''constraint'' for the sector.

''There needed to be improved pathways to leadership to ensure better representation on the top tiers of industry management,'' the report said. For more, information email [Christi.Britton@hortnz.co.nz](mailto:Christi.Britton@hortnz.co.nz). [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12144036)

* 1. **Many ways for our crop growers to adapt to climate change**

Plant & Food Research scientists have conducted climate change modelling of the production of our three major crops ‒ apples, kiwifruit and wine grapes ‒ in key New Zealand growing regions under various scenarios. If the temperature continues to climb and extreme weather events become more frequent, they will push flowering and harvesting time forward, increase water needed in summer, and deprive some crops, such as the 'Hayward' green kiwifruit, of their necessary winter chilling.

There are many ways for growers to adapt. They can implement tactical measures such as using overhead cover and sprinklers to cool down fruit to prevent sunburn, or storing rainwater from wet winters to carry over for irrigation in dry summers. In transformational cases, we may see relocation of the core production base to new regions and a shift of the production cycle of certain crops.

The new climate for New Zealand may also well allow growers to grow crops that they were not able to grow in large quantities before. E.g citrus and avocado

Consumers have a role in reducing the climate risk we will face. Incorporating more fruit and vegetables in your diet is one of the best things you can do. Horticultural production does not emit methane, a major greenhouse gas produced by ruminants such as cows. Orchard plants can also store carbon in their plant parts and in the deeper parts of the soil of their root zone.  This photosynthetic carbon capture and storage mechanism keeps greenhouse gases from escaping to the atmosphere. If more consumers demand and pay more plant-based products that are grown in a sustainable manner, more food with better environmental credentials will be produced.

Our $8.8 billion horticultural industries currently use just 120,000 hectares of land, a small fraction of the 2 million hectares that are suitable for horticultural production. Why hasn't this huge biophysical potential been realised? This is due to socio-economic, labour, infrastructural and cultural constraints. Should we overcome these limits and constraints and allow horticulture to play a bigger and more valuable role in our future economy, it will make a significant difference to our greenhouse gas emissions and bring us closer to meeting New Zealand's net-zero emissions goal by 2050.

[Full article available here](https://www.stuff.co.nz/the-press/opinion/107731637/many-ways-for-our-crop-growers-to-adapt-to-climate-change)

**Industry news**

* 1. **Robots to train vineyard and orchard workers to do a better job**

Robots could be used to prune in vineyards and orchards across New Zealand. University of Auckland researchers were granted $16.8 million to develop a robotic automation system to upskill human

workers, and do manual tasks. University Professor, Bruce MacDonald, said robots would not take jobs, but rather plug the existing labour shortage and allow for higher value jobs. In its first phase, sensors would monitor what experts did on orchards and vineyards. Augmented reality technology would then train new workers to do a better job. [Full article available here](https://www.stuff.co.nz/technology/107776015/robots-to-train-vineyard-and-orchard-workers-to-do-a-better-job)

* 1. **PGG Wrightson Seeds moving to Lincoln research cluster**

PGG Wrightson Seeds joined an agricultural research cluster at Lincoln. The grain and seed

business, which is being sold by PGG Wrightson, is moving into a new building opposite the University. It will be across from the planned $206 million Lincoln University and AgResearch joint facility. PGG Wrightson seeds was being sold to DLF Seeds for $241 million. The sale required Overseas Investment Office and 75 percent shareholder approval. AgResearch Chief Executive, Tom Richardson, said the investment by PGG Wrightson Seeds would enable more seamless collaboration between students, academics, researchers, and business[. Full article available here](https://www.stuff.co.nz/business/farming/107792782/pgg-wrightson-seeds-moving-to-lincoln-research-cluster)

**Crop news**

* 1. **Tomatoes NZ agroecology projects hoping to reduce r pest-reducing chemicals**

A small New Zealand produce farm “The Curious Croppers” mainly produce tomatoes on a small scale but are working on a project that they have dubbed the NZ Agroecology Initiative.

They have been allowing weeds to grow wild in order to enhance the ecological complexity of the greenhouse and its surrounding environment. As they do not grow in the soil, they cannot be certified organic, but the aim of the Curious Croppers is to use the absolute minimum amount of chemicals, and grow lots of weeds that are specifically targeted to introduce certain predators.

Anthony, who is also on the board for Tomatoes NZ, says that with levy funding, the organisation has employed a PHD student to scope out all the existing creatures that are suspected to be beneficial. The next step is to figure out how to enhance their effectiveness. Initial results are looking encouraging. In the mean-time in Clevedon, the Tringhams have had their best year ever for insect control. "This was the year that we let the whole farm go wild, and there were tall weeds growing up to the edge of our greenhouses,". "So, it is a slapdash, let's try lots of things and see what works approach. Last year the place looked wild, but our insecticide applications were minimal. We had zero whitefly problems and only TPP towards the end. We also found that we were getting native bio-controls.”

Therefore, the family is now working on how to suppress TPP numbers using natural controls.

"As an example, we are very interested in *Solanum nigrum*, we suspect it is a good host plant for a tiny type of mite predator, *Amblyseius Limonicus.* Some of the other principles they are using, according to Anthony, are inspired from other industries. [Full article available here](http://www.freshplaza.com/article/9032703/tomatoes-nz-agroecology-projects-hoping-to-reduce-the-need-for-pest-reducing-chemicals/)

**Other**

* 1. **Conservation comment: Lawsuit adds weight to call to restrict weed killers**

Despite long standing concerns about Roundup and other glyphosate-based weed killing products, the first law suit that went to trial was successful two months ago. In the verdict Monsanto was found to have "acted with malice", knew or should have known its chemical was dangerous, and failed to warn consumers about the risks. Monsanto, recently acquired by Bayer, now faces the prospect of an avalanche of similar lawsuits in the United States and elsewhere.

Monsanto has appealed but faces an uphill battle in overturning the verdict. The potential repercussions are huge. This widely reported case should be the harbinger for change. Our obsession with a certain idea of order and tidiness – which some consider a collective madness that has gripped our society - means that this is a war that is never going to be won without the extensive use of glyphosate-based sprays. The other day I saw a home gardener in T-shirt, shorts and jandals spraying his driveway!. Given the findings of the California case, we as a society need to ask ourselves if we should continue to take these risks in the pursuit of an ideal of how we wish to see our environment. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12141372)

* 1. **Will consumers pay up for glyphosate-free production?**

Food production without the use of glyphosate (commonly sold as Roundup) to control weeds, will mean increased food prices. Reports from the UK and Germany are clear – but in the northern hemisphere subsidies are paid by government to farmers to offset the costs of regulations.

In New Zealand the impact could be considerable, both on costs to the farmer and prices to the consumer. There would also be a negative impact on the environment. Glyphosate continues to be in the news because of actual and forecast court cases against Monsanto. This is despite the fact that no scientific research has shown a link to human health issues when glyphosate is used as directed.

The USA Environmental Protection Agency repeated on 10th September that it's work shows that glyphosate is 'not dangerous to humans'. Ongoing public concerns arise from the assessment by the International Association for Research on Cancer (IARC) in 2015 that glyphosate is a probable human carcinogen. IARC assesses hazard, and classified alcohol, arsenic, asbestos, processed meat, tobacco, UV radiation in sunlight and wood dust as 'known carcinogens' (Category 1). Glyphosate, shift work, consumption of red meat and hot drinks (above 65ºC) are classified as 'probable human carcinogens' (Category 2a) with over 100 other factors.

In defining a hazard, IARC does not assess exposure and risk. Whereas alcohol causes 3.6 per cent of all cancers and 3.5 per cent of cancer-related deaths, studies of agricultural workers and their families (almost 55,000 people in research published at the end of last year) has shown no link to human health issues. And this is without knowing whether the 55,000 people studied did or didn't follow the guidelines for use designed to minimise risk.

An Oxford Economics report for the UK forecast a reduction in area of 20 per cent for wheat grown and 37 per cent for oilseed rape (canola) if glyphosate was banned. In addition, yields on the reduced area would also be reduced: 12 per cent for wheat and 14 per cent for oilseed rape. Labour productivity would decrease by 10 per cent and EBITDA (earnings before interest, tax, depreciation and amortisation) would decrease by 13.9 per cent. This in a country when only 25 per cent of farms actually make money from farming….

For New Zealand, with the bulk of food exported, competitiveness is important – but so is minimising erosion and greenhouse gas production while maximising soil quality including organic matter. It is possible to produce food without using glyphosate – organic producers manage. Their food does, however, tend to be more expensive than that produced conventionally.

The question remains as to whether consumers will be prepared to pay the price for glyphosate-free production, and to accept that there will be negative environmental implications as well. [Full article available here](https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12131598)

**Biosecurity**

* 1. **More funding to tackle fruit flies in Australia**

A start-up created by three alumni from CSIRO (Commonwealth Scientific and Industrial Research Organisation) received a AU$1.25 million funding boost from the CSIRO Innovation Fund.

The start-up is called RapidAim and will use the cash to conduct a trial of its "smart trap" fruit fly monitoring system that is hoped will replace manual trap checking.

"The smart traps use lures to attract fruit flies. Females are lured in by food and males by pheromones. Sensors will be able to detect when a fruit fly is in the trap by their characteristic movements and send an alert to a grower's mobile phone." [Full article available here](http://www.freshplaza.com/article/9033743/more-funding-to-tackle-fruit-flies-in-australia/)

* 1. **Psa confirmed in Australian kiwifruit orchard**

Last week Seeka Limited advised the market that the Australian Regulatory Authorities have confirmed Psa on the Seeka orchards in Australia, affecting 4.5 hectares of its 154 hectares of kiwifruit orchards.

Seeka is not clear how it got into Australia, the only plant material we have in our Australian orchards has come from Australian sources, either from existing nurseries or our other orchards. Seeka is working with Agriculture Victoria to ascertain how it got there."

Containment protocols have been in place since detection, as have high hygiene procedures and restrictions on moving plants. [Full article available here](http://www.freshplaza.com/article/9032682/psa-confirmed-in-australian-kiwifruit-orchard/)



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. This week see:

1. **China Retail Foods**  China remains one of the most dynamic retail markets in the world and offers great opportunities for U.S. food exporters. Exporters should be aware of several new trends that are changing China’s retail landscape.  Imported food consumption growth is shifting from China’s major coastal metropolitan areas (e.g., Shanghai and Beijing) to the dozens of Second-and-Third Tier cities throughout China.  China is experimenting with new retail models, such as 24-hour unstaffed [Retail Foods\_Beijing ATO\_China - Peoples Republic of\_7-5-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Beijing%20ATO_China%20-%20Peoples%20Republic%20of_7-5-2018.pdf)
2. **Jamaica HRI Food Service Sector**  In 2017, U.S. exports of consumer-oriented products to Jamaica reached a record level of US$173.9 million, representing a 38 percent market share. [2018 Jamaica HRI Food Service Sector\_Kingston\_Jamaica\_9-28-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/2018%20Jamaica%20HRI%20Food%20Service%20Sector_Kingston_Jamaica_9-28-2018.pdf)
3. **Thailand Food Service - Hotel Restaurant Institutional** This report contains information about Thailand’s food service industry.  It provides an overview of market opportunities and key channels of distribution for U.S. food and beverage products destined for the food service market in Thailand. [Food Service - Hotel Restaurant Institutional\_Bangkok\_Thailand\_10-3-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Bangkok_Thailand_10-3-2018.pdf)
4. **Turkey Food Service - Hotel Restaurant Institutional** There has been an increase in incoming tourists in 2017 compared to 2016 when there were several security problems. [Food Service - Hotel Restaurant Institutional\_Ankara\_Turkey\_10-18-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Ankara_Turkey_10-18-2018.pdf)
5. **South Africa Hotel Restaurant and Institutional Guide 2018** South Africa has the largest foodservice market in Southern Africa, and a highly competitive hospitality industry.  In 2017, the combined value of the hotel, restaurant and institutional sector was US $4.3 billion up 8 percent from 2016.  [Food Service - Hotel Restaurant Institutional\_Pretoria\_South Africa - Republic of\_10-18-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Pretoria_South%20Africa%20-%20Republic%20of_10-18-2018.pdf)

**Regulatory**

* 1. **US Treasury sends China warning shot regarding currency**

The Trump administration avoided a major escalation in its trade fight with China after the Treasury Department said in a report released Wednesday that Beijing was not intentionally devaluing its currency. However, US Treasury Secretary Steven Mnuchin has sent out a warning about the lack of Chinese transparency and the relative weakness of their currency.

US President Trump has accused China of purposefully devaluing its currency to give its exports a competitive advantage on the world market. The report warns that the recent depreciation of China’s currency will likely widen the economic giant's trade surplus with the US even more.  [Full article available here](http://www.freshplaza.com/article/9033711/us-treasury-sends-china-warning-shot-regarding-currency/)

  **China**

* 1. **The Obstacles Facing China's World-Leading Kiwifruit Industry in 2018**

As the Chinas new season's kiwifruit crop started to come online in China over the past few months, growers and wholesalers were surely hoping that 2017 – the first time in ten years that domestic kiwifruit prices had seen a year-on-year drop – was an aberration. The trend of slumping prices is a sign of major trouble for the kiwifruit industry in China, which produced 2.4 million tons of kiwifruit in 2016, more than half the global total. This article looks at some of the key challenges facing the kiwifruit industry and reasons behind the weak prices so far this season.

*The article lists – a doubling of the area planted in kiwifruit in recent years, very variable product and poor supply chain management as major contributors to the problem*

*It also notes -* In contrast to the troubles faced by domestic kiwifruit, imported offerings from Zespri of New Zealand are performing very well in the China market. Zespri reported sales in China of RMB 2.4 billion (US$338 million) in its most recent fiscal year, with China reportedly surpassing Japan as Zespri's top market. Zespri hopes to double its sales in China over the next four years.

The success of imported kiwifruit in China provides a convincing argument that demand is continuing to grow in the high end of the market, but that domestic growers are simply not producing fruit that is good enough to satisfy these consumers' needs. In order to take a piece of the high end it needs to start to address its problems with oversupply, slumping prices and eroded consumer trust, domestic China kiwifruit producers need to expand branding efforts, build an integrated kiwifruit supply chain, and improve on cultivation techniques, post-harvest treatment, fruit storage and product standardization. [Full article available here](https://www.producereport.com/article/exclusive-analysis-obstacles-facing-chinas-world-leading-kiwifruit-industry-2018)

* 1. **China: Online trade of fresh produce increased by 23.5% in first half of 2018**

Data shows that the online trade of fresh produce reached an overall value of 105.16 billion yuan [15.18 billion USD] in the first half of 2018. Market analysis shows that young consumers in particular favor fresh produce. The fresh produce market is flourishing and the overall value of this market is expected to exceed 200 billion yuan [28.88 billion USD] in 2018. However, as market competition grows fiercer, the fresh produce market may see a rearrangement of players. On the one hand, small and medium e-commerce shops may go bankrupt or merge; on the other hand, tycoons like Alibaba and JD continue to increase their investment in refrigerated distribution and fresh produce supply chains, thus strengthening their dominant position in the market. [Full article available here](http://www.freshplaza.com/article/9033560/china-online-trade-of-fresh-produce-increased-by-in-first-half-of/)

 **Marketing**

* 1. **Cleaner, fresher and more exotic foods the trend for 2019**

The NLS Food Evolution Summit was held in San Diego last month. At the event, produce professionals discussed the up and coming food trends that the industry can expect in the next year. Nannette Richardson of Bonduelle Fresh Americas was one of the speakers at the event and shared her thoughts on food trends for 2019. She noted that this past year has seen an increase in the demand for transparency when it comes to source of food and labelling. "Consumers’ demand for produce in the freshest way possible has been a distinguishing factor and consumers also have a greater expectation for sustainable packaging. "

"We believe the next 12-24 months will bring in some of the industry’s most rare vegetable ingredients, in addition to plant-based proteins and superfoods," Richardson predicted. "Some of the fresh produce items that are set to ignite are uncommon veggies we don’t find in our everyday grocery store. Specifically, delicacies like heirloom varieties, unique herbs, micro greens, and edible flowers " "Retailers are beginning to carry more international flavors and items that can easily be paired with or served as a meal—such as the Ready Pac Foods Sweet & Spicy Korean Salad Kit. This zesty, fresh salad kit served with a side of grilled short ribs or shrimp on top makes a great, easy meal."

While consumers appear to be keen to eat healthier, more nutritious meals with exotic ingredients, they are also short on time. There are many more options now for people that are busy and have less time to cook. In fact, expect to see even more ready-to-eat style meal kits in stores over the next few years as companies capitalize on this market. Items that are pre-prepped and finished at home or pre-planned are going to continue gaining popularity. [Full article available here](http://www.freshplaza.com/article/9032109/cleaner-fresher-and-more-exotic-foods-the-trend-for-2019/)

* 1. **Flexitarian’ diets key to feeding people in a warming world**

According to scientists, to limit climate change, water scarcity, and pollution, we needed to embrace flexitarian diets. This would mean mainly eating plant-based foods and was one of the three key steps towards a sustainable future. The study showed food waste would need to halve and farming practices improve. The authors showed the food system had a range of environmental impacts which included being a driver of climate change, depleting freshwater and pollution through nitrogen and phosphorous use. The study emphasised these numbers could grow between 50 and 90 percent between 2010 and 2050. If the world moved to a flexitarian diet, it found that greenhouse gas emissions from agriculture would be reduced by more than half. The study further found halving

the amount of food lost to waste would reduce environmental impacts of agriculture by 16 percent.

[Full article available here](https://www.bbc.com/news/science-environment-45814659)



**Sustainability**

* 1. **"Insect pests will increase due to climate change"**

Climate change is behind the increase in insect pests, which are expected to cause more damage to crops worldwide. This was said in Rome by various experts in the field of plant protection.

Kia stated that pests are currently already responsible for the loss of 8% of the world's maize production and 14% of that of rice. These percentages will increase to 10% and 17% respectively if the temperature on earth increases by 2 degrees compared to the pre-industrial levels. [Full article available here](http://www.freshplaza.com/article/9031509/insect-pests-will-increase-due-to-climate-change/)

* 1. **New sustainability pact between Panalpina and CMA CGM**

Panalpina, the world’s fourth biggest ocean freight forwarder by transport volumes, and CMA CGM, one of the world’s leading shipping groups, have signed a sustainability agreement aimed at reducing their respective carbon emissions by 2025. As of 2020, new-build LNG-powered mega-vessels with a capacity of 22,000 twenty-foot containers (TEUs) will help achieve the environmental goals.

Aiming at responsible development in ocean freight, Panalpina and CMA CGM have signed a sustainability agreement for maritime transport.

The scope of the sustainability agreement between CMA CGM and Panalpina goes beyond the reduction of the environmental impact via eco-friendly transport solutions. The companies have committed to collaborate, innovate and improve in four key areas: the environment, ethics and compliance, social responsibility, and community. Initiatives where CMA GGM and Panalpina intend to work more closely together include occupational health and safety programs, local sourcing as well as emergency relief and support. [Full article available here](http://www.freshplaza.com/article/9033748/new-sustainability-pact-between-panalpina-and-cma-cgm/)

* 1. **Fairtrade sees 9% sales growth in 2017, exceeding €8 billion for first time**

Global sales of Fairtrade products rose by 9 percent to nearly €8.5 billion in 2017, generating estimated premiums of €178 million for farmer and worker organizations, Fairtrade International’s annual report shows.   
  
The report, entitled Working together for fair and sustainable trade, also highlights how Fairtrade is ramping up its action to help achieve sustainable livelihoods for farmers and workers, at a time when world coffee prices are around 12-year lows.

During 2017, Fairtrade worked with more than 1.6 million farmers and workers across 75 countries. Some 30,000 different products with the FAIRTRADE Mark were available in 150 countries worldwide. The UK continued to be the biggest Fairtrade market by retail sales value, followed by Germany and the USA, while most other Fairtrade markets grew by double digits. For the full report; [click here](https://www.fairtrade.net/fileadmin/user_upload/content/2009/about_us/annual_reports/2017-18_FI_AnnualReport.pdf).

[Full article available here](http://www.freshplaza.com/article/9034300/fairtrade-sees-sales-growth-in-exceeding-eu-billion-for-first-time/)

* 1. **Belgium: Soil passport as new tool to more sustainable management of agricultural parcels**

ILVO[[1]](#footnote-1) is going to set up a sort of 'medical record' for its land parcels. All soil data - crop rotation, soil working and treatment, analyzes, yields and environmental conditions - are brought together in it. Such an integrated dataset enables a richer data mining, which may provide new insights about sustainable and climate-friendly soil management. It recognises that today’s fertility may be heavily dependent on the soils historical use.

The first step is the development of a digital module in which soil analyzes, soil scans, history of parcels and crops are stored. ILVO immediately will use a multidisciplinary team: soil specialists, data managers, image and data analysts, GIS experts, crop and climate specialists. [Full article available here](http://www.floraldaily.com/article/9032295/belgium-soil-passport-as-new-tool-to-more-sustainable-management-of-agricultural-parcels/)

 **Innovation**

* 1. **Breeding companies are leaving Europe due to CRISPR-Cas ruling**

Research assignments that are being withdrawn, companies that are deciding to relocate their R&D departments outside Europe — it is gradually becoming clear that the decision by the European Court of Justice to treat CRISPR-Cas as a form of genetic modification is having far-reaching consequences. R&D is being split into two,’ says a recruiter for a breeding company who wishes to remain anonymous. ‘The research can be done anywhere, including in Europe. The development is going to other countries. That’s already happening. You don’t notice it because all the breeding companies are global operators with multiple R&D centres in Europe, Asia and the US. They’re shifting their R&D investments to non-European countries; those discussions are going on now.’ [Full article available here](http://www.hortidaily.com/article/9034275/breeding-companies-are-leaving-europe-due-to-crispr-cas-ruling/)

* 1. **Aerobotics presents AI app to identify crop problems**

Aerobotics, a South African precision agriculture tech company, have launched their new drone scouting app which is able to see whatever a human, standing close to a tree, would - and come to the same conclusions. The company's agronomists have labeled and classified hundreds of thousands of examples of potato blight and citrus thrips and fed this information into their machine learning algorithms, enabling them to learn what pest and disease symptoms look like, just as a person would.

“Our agronomists have assembled one of the most detailed databases of its kind in the world,” said Michael Malahe, Aerobotics data science manager. “We have achieved a precision of 80 to 90% and we're looking forward to rolling out this predictive ability to a wider range of crops.”

Employing obstacle-avoidance technology, drones now go within one metre of the target to collect data at sub-millimetre level. Pests like bud mites and thrips, nutritional deficiencies or toxicities, as well as close-ups of flower and fruit formation are visible on the images taken by the drone's multispectral camera, which would also enable more accurate crop estimates.

“We believe this new technology will change the way that data is collected in the field The more data we collect, the more powerful the algorithms become.”

The cameras can penetrate netting that is not too dark, but the closed growth systems of table grapes are not currently conducive to drone scouting (wine vineyards, however, present no problem).

There are currently 500 farmers in 11 countries employing their technology. In South Africa's macadamia industry about 40% of producers and a fifth of South African citrus growers use Aerobotics. [Full article available here](http://www.freshplaza.com/article/9032257/aerobotics-presents-ai-app-to-identify-crop-problems/)

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1. Institute for Agricultural, Fisheries and Food Research in Belgium [↑](#footnote-ref-1)