

**PMAC weekly update 23rd to 30th July**

1. **Government agencies** ICPR changes; PSA notice of appeal; Trans-Tasman cooperation on biosecurity risk detection technology; WTO Notifications

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1. **New Zealand News:**  Talks held with Japanese Deputy Prime Minister ; Presentation on Silk Road benefits; Export NZ Trade Update; Worldwide Consumer Demand Pushes Growth Surge in NZ Organic Sales; 100% Kiwi Business delivers insights you can use; Exporter Survey ; We have missed out on storytelling; New OnionsNZ CEO named; Kerikeri fruit industry gets $18m investment ; Orchard sales part of expansion; Salvation Army finds harvesting jobs for people on probation; Northport gets permanent, year-round, fortnightly port call from Mediterranean Shipping Company Capsicum shortage hits supermarkets; Unintended results of investment curbs; Price of avocados down slightly after hitting record high; Orchard sales part of expansion; Bay of Plenty on track to become 'regional; Concern over social cost of Zero Carbon Bill powerhouse'; Gene editing is GM, European court rules**;** Serious risks: 4 pests & diseases MPI says to watch out for
2. **International news:** GAIN reports

***Editors comments***

*A quiet week with Europe on holiday and Freshplaza. Floradaily and Hortidaily closed for 2 weeks.*

*Of interest though is MPI’s decision to appeal the PSA Claim. This is important if we want a Biosecurity system that is not so tight that we find it virtually impossible to bring product into the country. If this happens it will inevitably lead to our product being delayed when it try’s to enter other markets as they place similarly tight requirements on our product. .*

*The other interesting fact this week lies in the fact that there are 4 articles on Northland . These articles talk about investment and increased shipping services to take product over seas . Good news for an area that has struggled in the past.*

1. **Agency news**



* 1. **ICPR changes**
* The [ICPR for India has been updated](http://www.mpi.govt.nz/document-vault/651). Updates have been made to definitions table, ports of entry and quarantine pest list. Wording has also been ammended in additional declarations to match regulation for nursery stock regarding: Dahlia, Chrysanthemum and *Persea* *Americana and*  for  seeds regarding:  *Capsicum* spp. and *Triticum* spp.
* The [ICPR for Korea](http://www.mpi.govt.nz/document-vault/659) has been updated with Citrus meyeri being added to the prohibitions list under section 2.1 and a note added to section 4.1.1 regarding the commodity specific requirements for Citrus limon. "Note Citrus limon is not a synonym for Citrus meyeri."
  1. **PSA notice of appeal**

A notice of appeal has been filed in the Court of Appeal against the High Court's decision in the Psa litigation. The Crown appeal seeks to clarify the scope for government regulators to be sued in negligence.

The Court's finding traverses events dating back 12 years, pre-dating the establishment of the Ministry. The Ministry is continually enhancing and improving the way it manages pre-border risk and import processes at the border.

MPI has confidence in its current biosecurity system and its continued robustness. New Zealand enjoys a high level of freedom from the most damaging pests and diseases as a result of the diligent actions of MPI officers, importers and others.

No biosecurity system in the world can prevent every pest incursion from happening, which is why our ability to manage risk offshore and respond to incursions if they occur are critical parts of the biosecurity system.  A strong biosecurity system needs government, importers, industry and the public actively participating and acting to identify and manage risk.

The Ministry considers the High Court finding has the potential to significantly impact on the Ministry's biosecurity operations. MPI takes its biosecurity responsibilities seriously, and while the decision is being appealed, it must still be applied in the interim. The impact of this for importers and others will be delays in decision-making.

As the matter will go before the Court of Appeal, MPI will be making no further comment.

[Full article available here](https://www.mpi.govt.nz/news-and-resources/media-releases/mpi-welcomes-psa-appeal/)

* 1. **Trans**-**Tasman cooperation on biosecurity risk detection technology**

Head of Biosecurity New Zealand, Roger Smith, and Deputy Secretary responsible for Australian biosecurity, Lyn O'Connell, meet in Canberra last week to exchange letters of cooperation between the 2 countries on exploring emerging technologies to better manage biosecurity risk.

"Detecting biosecurity risks at the border is becoming increasingly complex for both Australia and New Zealand, with more diverse risks, and volumes of passengers, mail and cargo also expected to rise significantly in coming years," said Mr Smith. "Working together to explore emerging technologies, and innovative use of technologies, will be mutually beneficial . To start both countries will be trialling emerging detection technologies like 3-dimensional X-ray scanners and automatic detection software,"

This cooperation will also involve a range of proof-of-concept trials, including new ways of processing passengers, baggage, mail, and cargo that will help our biosecurity officers make more informed decisions and to better manage the biosecurity risk at the border. [Full article available here](https://www.mpi.govt.nz/news-and-resources/media-releases/trans-tasman-cooperation-on-biosecurity-risk-detection-technology/)

* 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:

* Armeria Draft of the Eurasian Economic Commission Council Decision on amendments to the Common list of plant quarantine objects of the Eurasian Economic Union
* Brazil Phytosanitary requirements for the importation of substrate as raw material, finished product or accompanying plants, regardless of origin.
* Canada , EU , Korea, Malaysia – MRL’s

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



1. **New Zealand News**



* 1. **Talks held with Japanese Deputy Prime Minister**

Last week Deputy Prime Minister and Finance Minister of Japan, Tarō Asō, and Vice Minister of Finance for International Affairs, Masatsugu Asakawa visited Wellington. Tarō Asō’s visit to New Zealand was in response to an invitation issued by Mr Peters during his official visit to Tokyo in May.

[Full article available here](https://www.beehive.govt.nz/release/talks-held-japanese-deputy-prime-minister)

Export NZ

* 1. **Presentation on Silk Road benefits**

On 15th August (4-6 pm) at PWC in Hamilton Stephen Jacobi, Executive Director of the New Zealand China Council, will present a report his Council commissioned from PwC the Silk Road Economic Belt and Maritime Silk Road, or Belt and Road Initiative (BRI). Attendance is free but registration is essential

Following his talk will be a panel discussion on the opportunities identified in the report on these four areas:

* **Trade Facilitation,**
* **New Zealand as a conduit to South America**
* **Creative Sector**
* **Innovation**

For the programme [see here](https://www.exportnz.org.nz/training-and-events/waikato-events/better-exporting-belt-and-road-initiative-a-strategic-pathway)

* 1. **Export NZ** [**Trade Update**](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-u/)

In this month's trade update, there's both positive and negative news. On the positive side of the ledger New Zealand began FTA negotiations with the EU this week. Negotiations with the Pacific Alliance are continuing and progressing positively. There's increasing evidence that principle will be sacrificed for pragmatism in the Regional Comprehensive Economic Partnership. And the EU has submitted a proposal aimed at saving the WTO’s dispute settlement system. Singapore has become the third country to ratify CPTPP. And the UK has begun public consultations on a possible FTA with New Zealand post-Brexit.

On the negative side we see contagion from the trade war between the US and China and US and the world on steel and aluminium. The Brexit process has become more confused. The recent White Paper released by the UK Government casts real doubt over the UK’s ability to negotiate meaningful FTAs independent of the EU [Full article available here](https://www.exportnz.org.nz/news-and-information/news/2018/trade-updates-2018/trade-update-july?utm_medium=email&utm_campaign=The%20Exporter%20July%202018&utm_content=The%20Exporter%20July%202018+CID_63cded79de9e205cdd45885f3cc75a85&utm_source=Campaign%20Monitor&utm_term=More)

* 1. [**Worldwide Consumer Demand Pushes Growth Surge in NZ Organic Sales**](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-yu/)

The New Zealand organic sector has grown 30 per cent, or 10 per cent a year since 2015, to now be worth $600 million, buoyed along by consumers, here and globally, demanding natural, ethical products that are good for them and their families. The newly released 2018 OANZ Organic Market Report, shows retail sales of organic products are growing twice as fast as conventional products, up 8.8% to $245 million.

Exports too are booming, up 42 per cent since 2015 to $355 million, as consumers in Asia, including China, North America and Europe seek out New Zealand organic fruit, vegetables, dairy, meat, wool and wine, and natural beauty and bodycare products. *[View & download report here->>](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-jr/)*

[Full article available here](https://www.exportnz.org.nz/news-and-information/news/2018/2018-organic-aotearoa-new-zealand-market-report?utm_medium=email&utm_campaign=The%20Exporter%20July%202018&utm_content=The%20Exporter%20July%202018+CID_63cded79de9e205cdd45885f3cc75a85&utm_source=Campaign%20Monitor&utm_term=More)

* 1. [**100% Kiwi Business delivers insights you can use**](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-q/)

Author Ryan L Jennings personally interviewed 100 Kiwi business owners and CEO's across almost every conceivable industry to bring us this newly launched book: 100% Kiwi Business.

It delivers insights you can use to navigate your own business journey, including:

* a vision for New Zealand's future
* 9 business success navigators for every business stage
* 3 ways to restructure your marketing capability into a media publishing powerhouse
* over 200+ question prompts you can use to drive your business forward.

[***Check it out here->>***](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-a/)

* 1. **Exporter Survey**

ExportNZ and DHL are teaming up again for this short exporter survey. It only takes 5 minutes to complete. The survey closes on the 20th August. Please fill it in so we can ensure government agencies and others can understand your challenges and opportunities, and we can ensure you are properly supported. ***[Take the survey here->>](https://businessnz.cmail20.com/t/r-l-jjfttuk-aekytdhr-h/)***

**General**

* 1. **We have missed out on storytelling**

ASB economist Nathan Penny says New Zealand agriculture hasn’t backed great science with great stories. Penny notes the food miles debate that gripped the country ten years ago is a good example.

He says a campaign by UK farmers to turn their consumers against NZ butter and meat flopped because of great work done by Professor Caroline Saunders, Lincoln University. Saunders found

 the carbon footprint of NZ dairy products shipped to UK was 50% of the carbon footprint clocked by UK dairy products; carbon footprint of NZ lamb was only 25% of UK lamb. Saunders found that NZ cows and sheep grazed outdoors and had a smaller carbon footprint than UK animals which were housed 24/7. This led toman increase in sales in the UK

“The farmer groups them employed a different strategy- buy British-made food,”. He says consumers warmed to this strategy and NZ lamb exports to the UK declined. Penny says the food miles debacle shows that science alone wasn’t enough to win consumers’ trust in the UK.

“We need stories, brands around stories and influences to win consumers,” he says.

“We have great science but we are missing out on stories and key influences. [Full article available here](https://www.ruralnewsgroup.co.nz/dairy-news/dairy-general-news/we-have-missed-out-on-storytelling-penny?utm_source=Rural+News+Group+Weekly+E-Newsletter&utm_campaign=e9cd687b37-Rural_News_Group_Bulletin_16_January_2018_COPY_01&utm_medium=email&utm_term=0_fb79f8bfe8-e9cd687b37-59798541&ct=t(Rural_News_Group_Bulletin_16_January_2018_COPY_01))

**Industry news**

* 1. **New OnionsNZ CEO named**

Onions NZ is pleased to announce the appointment of James Kuperus to the role of CEO.

James has been Business Manager of Onions NZ for the past four years, and in that time has developed a passion for the industry and demonstrated excellent strategic, analytical and leadership skills which will enable him to lead the organisation to the next level of its development. James will take up the role at the end of the AGM in October replacing Mick Ahern. Mick has made a tremendous contribution to the industry over many years.

* 1. **Kerikeri fruit industry gets $18m investment**

Seeka announced last week it is investing $18 million over the next three years in packing machines, a packing shed and cool stores in Kerikeri. The investment lifts Seeka's packing and processing capacity - known as post-harvest capacity - in kiwifruit, avocado and citrus, to meet expected growth in the area.

Development will begin this year with the building of a new packhouse and grading machinery, expected to be completed in time for the 2019 harvest. Seeka will also upgrade its on-site information systems and build additional cool storage later next year, doubling its pre-cooling and cooling capacity. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12097407)

* 1. **Orchard sales part of expansion**

An expansion by Seeka into Northland was already paying off. It purchased the orchard and post-harvest operations of T&G Global in April. Seeka Chief Executive, Michael Franks, said since purchasing the orchard, it had signed up a further 340,000 trays of kiwifruit supply from independent growers. The orchard land and various other orchards owned by the group were

now up for sale.

Redevelopment of the packhouse operations near Kerikeri were also planned. Mr Franks hoped the orchard land would be sold to a single large investor, and that Seeka would have a long term management contract. Seeka would pack kiwifruit and avocados at the Kerikeri site. The facility would also pack citrus fruit on contract for T&G. Mr Franks noted they had growers and support in Northland, so wanted to find a suitable site to put its post harvest business on. He noted they were in a high investment stage as volumes of kiwifruit were pushed up. The purchase price of the T&G Global orchards was $31.6 million. Significant new debt was taken on to finance the Northland business. [Full article available here](https://farmersweekly.co.nz/section/horticulture/view/orchard-sales-part-of-expansion)

* 1. **Salvation Army finds harvesting jobs for people on probation**

In Northland people the Sallies put in place a scheme in 2016 taking a van containing 10 probation workers from Whangarei to Dargaville for daily work harvesting kumara.

Harvest work generally winds up after two or three months, but the pilot project expanded to cover kumara planting, sorting and weeding and there are now usually two vans carrying 20 probation workers from the city to the Kaipara kumara fields daily. This has also grown to three further vans now collecting probation workers from three pick-up points in Whangarei and another at Kaikohe to provide staff for Kerikeri orchards.

The Sallies' reliable servicehas gained traction because the packhouse operators could promise orchardists 10 staff would arrive daily to carry out designated tasks on time.

[Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12095654)

* 1. **Northport gets permanent, year-round, fortnightly port call from Mediterranean Shipping Company**

The MSC ship, Northern Diplomat, took the first kiwifruit harvest from Northport earlier this year. Now the trial export service has been a permanent addition to the port's schedule. MSC (Mediterranean Shipping Company) has announced it is making the fortnightly port call at Northport by its Kiwi Express service a fixed part of its international schedule. The move will improve access to international markets for Northland's exporters and importers.

Put in place to ship e kiwifruit the year-round service will mean other Northland exports can use it. The kiwifruit service alone was expected to take more than 500 truck and trailer trips off the road south of Marsden Pt.

Pacifica Shipping has also confirmed it was expanding its coastal shipping service between Northport and ports further south, including into the South Island. The two announcements) have the potential to really help business grow in Northland and it's now up to the business community to help grow this service by using it. [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12093844)

**Crop news**

* 1. **Capsicum shortage hits supermarkets**

Due to biosecurity concerns, capsicums could be in short supply at supermarkets for a few weeks. Countdown and Foodstuffs have both encountered problems with some of their overseas shipments. Foodstuffs said it had issues with three shipments from the Netherlands. It added it was continuing to source locally grown capsicums but there was a chance of reduced supply

for supermarket shelves. They were working with suppliers to address the issue. Countdown noted slower border clearance processes were the reason for its shortage. Countdown hoped its supplies would return to normal levels in the coming weeks. MPI Industries said there had been issues with some imports of capsicum that had a fungus. [Full article available here](https://www.stuff.co.nz/business/105636653/capsicum-prices-to-rise-as-supplies-hit-by-double-whammy)

* 1. **Unintended results of investment curbs**

Proposals to curb foreign investment in New Zealand could have unintended consequences for the horticulture and viticulture sectors. It could result in foreign owners instead opting to buy more land and vineyards outright, defeating the efforts to keep more assets in New Zealand hands. Industry expert, Alistair King, said the proposed Government restrictions and legislative changes were having unintended consequences. He added profit -a-prende [[1]](#footnote-1)was first used seven years ago and was extensively used in the forestry industry.

The proposed Overseas Investment Office changes would limit the use of the system in viticulture, where is has enabled foreign companies to develop vineyards on New Zealand owned land . Currently, a foreign investor only needs to notify the OIO it has a profit-a-prende, but if OIO is required to approve arrangements this will come at the same cost as buying the land. The system allows wine makers to take grapes from land they don’t directly own. He emphasised the proposed change defeated what the Government was trying to achieve. [Full article available here](https://www.odt.co.nz/rural-life/rural-life-other/unintended-results-investment-curbs)

* 1. **Price of avocados down slightly after hitting record high**

The price of avocados dropped for the first time this year, from their record of $25 per kilogram. Avocado prices tended to fall around June each year. An avocado production shortage inflated the prices to around $25.30 per kilogram earlier this year. The increased price led to one restaurant taking guacamole of its menu. Statistics New Zealand Prices Manager, Matthew Haigh, said seasonality was a big factor in avocado prices. He added they typically peaked in July and August, as the main harvest season was from August to March.  [Full article available here](https://www.stuff.co.nz/business/105502529/price-of-avocados-down-slightly-after-hitting-record-high)

**Other**

* 1. **Bay of Plenty on track to become 'regional powerhouse'**

Western Bay of Plenty is on track to become a "regional powerhouse" as kiwifruit, freight and building industries put the region ahead in New Zealand economic growth. Figures released last week show the Bay of Plenty's economy has grown 4.1 per cent over the past year to March 2018 compared with 2.7 per cent nationally. Of this, the Western Bay of Plenty grew 1.7 per cent and Tauranga 4.4 per cent.

Non-residential building was strong in Tauranga and freight through the Port of Tauranga and kiwifruit and Avocado exports are all driving local growth. [Full article available here](https://www.nzherald.co.nz/bay-of-plenty-times/news/article.cfm?c_id=1503343&objectid=12091699)s

* 1. **Concern over social cost of Zero Carbon Bill**

Both Federated Farmers and Horticulture New Zealand support moves to reduce emissions to net zero by 2050, but not at the expense of New Zealanders' social or economic wellbeing. " Federated Farmers climate change spokesman Andrew Hoggard said. “We need that clear road map to a low net emissions economy and a long-term plan of action that endures political cycles."

Similar concerns were raised by Horticulture NZ. Chief executive Mike Chapman said growers in the industry were mostly small to medium sized businesses, with a few larger corporates in some sectors. "Therefore, changes in costs can have a dramatic effect on the ability of these businesses to remain profitable and continue to offer job opportunities to New Zealanders," he said.

Particular attention should be paid to investment in research to develop the alternative technologies and fuels needed to ensure fruit and vegetable production remained viable, Chapman said.

"Horticulture can add value to a lower emissions economy.  But in order to mitigate emissions through increases in horticulture, barriers to horticultural expansion will need to be reduced, in particular, trade barriers and access to water." [Full article available here](https://www.stuff.co.nz/taranaki-daily-news/business/105642945/Concern-over-social-cost-of-Zero-Carbon-Bill)

* 1. **Gene editing is GM, European court rules**

Older GMO technology typically adds new DNA to a plant or animal. Gene editing (CRISPR) involves precise modification of small sections of DNA.

Europe's highest court has imposed strict regulations on gene-edited crops, a move that could stifle Kiwi innovation, scientists say. The Court of Justice of the European Union ruled last week that gene-edited crops should be subject to the same regulations as genetically modified organisms (GMO).

The court ruling means crops created with the help of gene editing would be subject to the same rules as GMO crops and food produced from those crops would need to be labelled as GMO.

Otago University geneticist and director of Genomics Aotearoa, professor Peter Dearden, said gene editing was a far more accurate way to make a mutation than standard GMO. "The problem is that we, and the EU, yet again, are trying to regulate technologies rather than outcomes," he said.

"In the end, the key things to test are the risks and benefits of the organism to be released.  Surely this is more important than the way it was made.

"What worries me, and our EU colleagues, is that these determinations will stop innovation in gene editing in New Zealand or the EU." That could mean New Zealand went without useful technology, Dearden said.

New Zealand has strict GMO rules. Limits on experimentation outside the lab meant scientists working on genetically modified ryegrass had to go offshore to carry out further testing. "Such regulation will stifle innovation and development and make it very difficult for the agriculture sector to develop breeding solutions to a rapidly changing environment and therefore enhance the risks of real issues around food security associated with new diseases and the impacts of climate change."

[Full article available here](https://www.stuff.co.nz/business/farming/105782495/gene-editing-is-gm-european-court-rules)

**Biosecurity**

* 1. **Serious risks: 4 pests & diseases MPI says to watch out for**

*A good article in the Gardener asking the public to look for newly arrived pests and in particular*

The article says -It's the responsibility of all Kiwis to look out for unusual bugs and plant diseases – a team of 4.7 million biosecurity inspectors.

*The article describes*

* **Brown Marmorated Stink Bug (Bmsb)**
* Queensland fruit fly.
* Xylella fastidiosa
* Citrus greening ( a bacteria that required the Asian citrus psyllid or Spittlebug (Philaenus spumarius). [Full article available here](https://www.stuff.co.nz/life-style/homed/garden/105853200/serious-risks-4-pests--diseases-mpi-says-to-watch-out-for)



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:

**Canada Health Canada Public Comment for EBDC Fungicides** On July 19, 2018, Canada proposed eliminating maximum residue limits for four ethylene bis-dithiocarbamate fungicides commonly used in horticultural production; CODEX and/or U.S. tolerances remain in place for all four fungicides.  Canada is accepting public comments on the proposal until October 2, 2018.   [Health Canada Public Comment for EBDC Fungicides\_Ottawa\_Canada\_7-20-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Health%20Canada%20Public%20Comment%20for%20EBDC%20Fungicides_Ottawa_Canada_7-20-2018.pdf)

**Belgian Food Retail Market** The annual revenue of the Belgian food retail industry for 2017 is estimated at around USD 32 billion. Sustainable and healthy food (including organic products) is one of the most important growth markets in food retail. [The Belgian Food Retail Market\_Brussels\_Belgium [without Luxembourg]\_7-13-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Belgian%20Food%20Retail%20Market_Brussels_Belgium%20%5bwithout%20Luxembourg%5d_7-13-2018.pdf)

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1. **Profit** is a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity. Any **profit** that is gained goes to the business's owners, who may or may not decide to spend it on the business. [↑](#footnote-ref-1)