

**PMAC weekly update 24th to 31st May**

1. **Government agencies**: ICPR Changes WTO and TBT Notifications; MFAT’s Global Trade and Economic Update for NZ Businesses – 28 May 2021
2. **New Zealand News:**  New public-private effort on digital uptake; Red, green and gold pay dividends for Zespri; Breeding the perfect apricot in central Otago; Northland Inc: Kaipara peanut crop next steps; Napier Port says Pipfruit exports are tracking in line with the prior year; Emirates SkyCargo set to connect New Zealand with key global markets; Exporters welcome shipping relief; Orchardists urge Government to relax MIQ rules for seasonal workers at low risk of COVID-19; Economist: Govt's immigration policy doesn't understand value of migrant labour; Jordan Carrol wins Central Otago Young Grower of the Year competition; Former World Potato Congress director Ron Gall has passed
3. **International news:** GAIN reports; Exporters have ‘12-18 months’ to prepare as G7 paves way for trade digitisation, Disinfectant chamber expedites produce arrivals, reducing clearance delays; "Australian fruit has a difficult time in the Chinese market"; Container freight rates of Asia-Europe route hitting new highs; Hapag-Lloyd further expands its container fleet; UK: Hillier achieves carbon footprint reduction in year two of Planet Mark certification; Unilever define regenerative principles; "How do we fix our broken food system? Invest in local organic farms"; Killer robots: Czechs working on AI prototype to wipe out pests with less insecticide

**Comment**

Fewer articles than normal this week but still a lot of good material . But before I talk about these I’d like to mention an article that’s not in this update. I’ve just seen Vietnam has discovered a new variant of the coronavirus that appears to be a mix of the variants first detected in India and Britain and is possibly more contagious. While others have said for sometime the world has changed irrevocably I now must agree . The ongoing appearance of variants are sure to prevent our return to a world where relationships and trade can develop without undue restraints. We have to find away to continue these activities in the new order.

With that sobering thought it’s on to the news. Zespri has released its results for the last season and they show how well the company and industry continued to perform through the first year of Covid. Long may it continue. The article I find most interesting in the New Zealand section though is the news that the Government has identified enabling companies to operate digitally is vital for the county and are providing a purse of $44 million to enable uptake . You can see why later in the update were the news that the G7 have made a commitment to adopt electronic transferable records in international trade transactions has been hailed as a “momentous step forward” for trade digitisation, and businesses are being called upon to get ready for digital trade now – or risk being left behind. They predict we must be capable within 12 to 18 months.

There are two other articles in the international section that look forward as well and are worth reading. The first is one about Unilever’s definition of what regenerative agriculture should strive to achieve. Currently there is no good working definition about what regenerative agriculture is. This is a good start. Unilevers stance follows the announcement 2 weeks ago that Pepsi-cola has also implemented a requirement that all of its suppliers must move to regenerative agriculture but without the definition to say exactly what is required . Regenerative agriculture is very quickly becoming the updated way to look at sustainability

The second article deals with gene technology and identifies that being able to “breed” new microorganisms to support primary production is a growing field . I had considered this use for plants but not microbes . The article is well worth reading.

1. **Agency news** 
   1. **ICPR changes**

The ICPR for Korea has been updated with new text in the Prohibitions section and updating the . Quarantine Pest List with 49 species added and 14 species removed.

* 1. **WTO and TBT Notifications**

Please find attached the most recent WTO and TBT notifications from countries that are considering changes to their plant import requirements for specific products. If you have any concerns about the notifications being presented, please contact [Plant.exports@mpi.govt.nz](mailto:Plant.exports@mpi.govt.nz) so that they can potentially make a submission to the notifying country. Changes notified over the last week include:

* Canada MRL’s
* Korea Proposed Amendments to Border Inspection Regulation for Foods
* Chinese Taipaei-a measure to prevent the import of Tomato brown rugose fruit virus on plants and plant products and three viruses and 6 viriods on seeds of Solanum spp and Capsicum 

** MFAT**

* 1. **MFAT’s Global Trade and Economic Update for NZ Businesses – 28 May 2021**

MFAT update is available at https://www.mfat.govt.nz/en/trade/mfat-market-reports/market-reports-global/global-economic-and-trade-update-for-new-zealand-businesses-28-may-2021/ Amongst other entries included in this week’s edition are news of :

* **Mel Poulton**, a sheep and beef farmer from the Tararua region, has been **re-appointed as New Zealand’s Special Agricultural Trade Envoy** (1 July 2021 - 30 June 2023).
* On 19 May**, Singapore Airlines** posted a **SD$4.27 billion net loss for the year**. The scale of the challenge facing the airline is evident in passenger numbers – 78,000 passengers were carried in January 2021 against 3.4 million in January 2020. The only bright spot for SQ was the **increase of cargo revenue** by S$758 to S$2.71 billion.
* **US President Joe Biden** has directed federal government agencies to **develop a strategy to mitigate the risk of climate change on public and private financial assets** in the US. This will include a whole-of-government plan to identify and disclose climate risk on government programmes, assets and liabilities.



1. **New Zealand News**



* 1. **New public-private effort on digital uptake**

A new public-private partnership has been launched to improve access to digital technology and training for small businesses, to take advantage of new opportunities through e-commerce.

The [Budget committed $44 million](https://www.beehive.govt.nz/release/backing-small-business-economy-recovers) for digital training and advice. The Governments aspiration is for New Zealand to have the most digitally enabled small business sector in the world.  Agencies like Xero and NZIER estimate real GDP could increase between $3.5b and $6.2b if there was just a 20 percent increase in the uptake of cloud computing alone.

“The Digital Boost Alliance involves twenty influential organisations who share the same goals and purpose – to support small business resilience and productivity, and enhance wellbeing and social inclusion via greater digital adoption. “It includes multinationals like Google, Facebook, Microsoft, HP and Amazon, five trading banks, Xero, MYOB, Zeald and Datacom, the Mindlab, CertNZ, Spark, Chorus and 2Degrees, the Warehouse Group and MBIE.  “The organisations who join the Alliance make a public commitment to support small businesses, workers or communities with free or discounted goods, services, advice or training in order to improve standards of living and wellbeing.

[Full article available here](https://www.beehive.govt.nz/release/new-public-private-effort-digital-uptake)



* 1. **Red, green and gold pay dividends for Zespri**

Global kiwifruit marketer Zespri flew through the embattled 2021 growing season on the strength of strong international demand, rewarding its 4,300 growers with record per tray returns. Revenue on expanded sales of SunGold kiwifruit, positive returns from green fruit and a strong showing from a new varietal, Zespri red, boosted net profit after tax by 30.9% to $290.5 million, from $200.8m last year.

Overall operating revenue jumped to $3.89 billion, from $3.36b, on the back of a 10% increase in global sales volumes to 181.5m trays.  The expected total dividend will be $1.33, up from 94 cents last season.

Zespri said returns to NZ growers rose 15% to $2.25b, despite uncertainty generated by the covid pandemic. The average per tray return for Zespri green was $7.51, translating to an average return per hectare of $76,722. That paled in comparison to SunGold, which at $12.46 per tray returned a record $177,846 a hectare to its growers. The marketer has 1,500 offshore growers in France, Japan, Italy and Korea.

Chief executive Dan Mathieson said the season showcased the strength of the Zespri brand in delivering value, attracting new consumers and supporting communities. He said growth in sales of non-NZ grown kiwifruit, which allowed for a 12-month supply cycle, had ensured growers maximised the benefit from the increased international demand Zespri was creating.  Mathieson said the grower cooperative was expecting another record crop this season, while demand from key markets was again strong.  However, headwinds included industry capacity constraints, rising costs and securing enough people to “get our fruit to the world”. He said there was also pandemic related disruption to shipping channels and distribution into some markets. [Red, green and gold pay dividends for Zespri](http://email.mail.businessdesk.co.nz/c/eJxlzrFuxCAQBNCvsRsEgsWYu4LCsZwPSJkOezdndA62gETJfX24U5Qm0hSjKZ4GnYK-o3MbHEhQ0oBVZ9DGCiWmQfejnKZRnsAO-qnp5LsPm5g_coiUM1K-imUX8daurtdglJ_lbO8e2MVaBWA6hSfqDGK7ubWUIzd6aOC55r9SR59KWDaqLRHySyKK3Mfa9g354b85hs-AFDHztz3xG-UjhTa5spK4kE-5fvwqyf_eKu6FsIGRPSRWJXaXWJXYn8SqxF4f0g-ca1bk)

For more detail on returns see [Full article available here](https://www.freshplaza.com/article/9325021/2020-21-financial-results-summary/)

* 1. **Breeding the perfect apricot in central Otago**

In the heart of New Zealand’s central Otago, a group of scientists is working on ensuring the quality of that apricot is perfect every time. Dr Jill Stanley - Based in Clyde- leads one of the teams at Plant & Food Research working on the organisation's summerfruit research program. This is all done in close collaboration with local growers and Summerfruit New Zealand, which also provides some of the research funding.

"We focus mainly on apricots and cherry, but also assess selections and new cultivars of blueberries, raspberries, kiwiberries, apples and pears. And, surprisingly, hops, which grow very well in the Clyde micro-climate," In recent years, Plant & Food Research has released three new apricot cultivars that meet these quality standards and exporters will target them at Asian markets in particular. [Full article available here](https://www.freshplaza.com/article/9323894/crafting-the-perfect-apricot-in-central-otago/)

* 1. **Northland Inc: Kaipara peanut crop next steps**

New peanut crop trials completed in Kaipara show promising yields in Northland’s soils and climate. Northland Inc Project Manager Greg Hall said "we're getting crop yields in the order of six to seven tonnes per hectare which would make peanuts more profitable than maize. That is 4500 jars of peanut butter per hectare, which is looking really good.” The trial is expected to extend to additional locations across Northland over the next few months. [Full article available here](https://www.nzherald.co.nz/the-country/news/northland-inc-kaipara-peanut-crop-trials-promising-other-sites-in-region-next-step/FN4QTXMH4NZWLGYSPRE3HIGNEE/)

* 1. **Napier Port says Pipfruit exports are tracking in line with the prior year**

Napier Port reports resilient half year revenue and earnings as the diversity of the Napier Port trade portfolio mitigates the ongoing effects of the Covid-19 pandemic. “Pipfruit exports are tracking in line with the prior year, but it is not clear what the eventual export crop size for this year will be as a result of the seasonal labour shortages. Similar dynamics are at play across all fresh produce sectors.

“Meanwhile, the continued challenges to container-based supply chains from regional and global shipping disruptions continue to impact on the free flow of cargo .“Noting continued uncertainties and assuming a continuation of current market conditions, Napier Port reaffirms the earnings guidance provided in April for the underlying result from operating activities for the year to range between $39 million and $42 million. [Full article available here](https://www.freshplaza.com/article/9324131/pipfruit-exports-are-tracking-in-line-with-the-prior-year/)

* 1. **Emirates SkyCargo set to connect New Zealand with key global markets**

Emirates SkyCargo has announced that it will be launching four weekly cargo services to New Zealand from 3rd May 2020 to help connect businesses in the country to key trading partners across the globe. The air cargo carrier is working with the Government of New Zealand as part of its International Airfreight Capacity (IAFC) scheme to help facilitate the exports of key commodities from New Zealand to the rest of the world while ensuring that essential cargo continues to be transported into the country.

Emirates SkyCargo will be operating 3 weekly Dubai-Auckland-Melbourne-Dubai flight rotations and a once a week Dubai-Sydney-Christchurch-Sydney-Dubai flight service operated by the carrier’s Boeing 777-300ER passenger freighters. [Full article available here](https://www.freshplaza.com/article/9325504/emirates-skycargo-set-to-connect-new-zealand-with-key-global-markets/)

* 1. **Exporters welcome shipping relief**

New Zealand’s exporters received some welcome relief from congested shipping services this week, with a record 5326 containers loaded aboard on a vessel at the Port of Tauranga. Usually, the service collects 2000-2500 containers from Tauranga, but Maersk allocated more space to New Zealand exporters. On Monday, Maersk Shams loaded 2826 extra (20-foot equivalent) containers, of which 1914 were refrigerated. Relief is also on its way for South Island exporters and ports, with two extra services calling next month to reduce port congestion. [Full article available here](https://farmersweekly.co.nz/section/agribusiness/view/exporters-welcome-shipping-relief)

* 1. **Orchardists urge Government to relax MIQ rules for seasonal workers at low risk of COVID-19**

Orchardists and seasonal workers want the Government to relax the rules around managed isolation and quarantine (MIQ) for countries at low risk of coronavirus. New Zealand usually has around 14,000 seasonal workers from the Pacific Islands doing skilled jobs in the horticulture and wine industries - many of whom are the sole breadwinners for their entire family.

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Orchardists say the various Government efforts to encourage Kiwi workers into the industry - like the $5000 to Work scheme - were "a miserable failure". The Government's now freeing up 300 managed isolation spots a month for recognised seasonal workers, which costs orchardists $6000 per person.

"These are people that know our orchards, they know our industry, they've been working for a long time," says Teviot Valley orchardist Stephen Darling. "And every week we delay we're losing those skilled people to Australia." Vanuatu is an extremely low-risk country. It's had just three COVID-19 cases since the pandemic began.

ACT leader David Seymour says seasonal workers from COVID-19-free countries should be welcomed here without two weeks in quarantine. "This man is more likely to catch COVID in MIQ than he is in Vanuatu or in New Zealand. I just can't believe this Government that talks about kindness has stopped him seeing his child for a year for no public health reason at all." Opening a travel bubble with Vanuatu would be even better - giving skilled workers a job and [restarting tourism in the struggling nation.](https://www.newshub.co.nz/home/rural/2021/05/coronavirus-orchardists-urge-government-to-relax-miq-rules-for-seasonal-workers-at-low-risk-of-covid-19.html)

[Full article available here](https://www.newshub.co.nz/home/rural/2021/05/coronavirus-orchardists-urge-government-to-relax-miq-rules-for-seasonal-workers-at-low-risk-of-covid-19.html)

* 1. **Economist: Govt's immigration policy doesn't understand value of migrant labour**

Economic Development Minister Stuart Nash has outlined an immigration policy "reset" to move away from relying on low-wage migrants. The plan is to attract people with higher skills instead.

But the New Zealand Initiative's Chief Economist Eric Crampton told Kate Hawkesby in horticulture, for example, there's evidence seasonal workers are important. He says workers coming in to pick fruit provide security of supply downstream for the industry to be investing in plant, kit and workers in the pack houses and in processing. "Skill shortages are already hitting New Zealand businesses and it's disappointing to see that the government is continuing to perpetuate a myth that migration suppresses wages." [Full article available here](https://www.newstalkzb.co.nz/on-air/early-edition/audio/eric-crampton-economist-critical-of-governments-proposed-immigration-policy/)

** Bits and pieces**

* 1. **Jordan Carrol wins Central Otago Young Grower of the Year competition**

Jordan Carrol, orchard and harvest manager at CentralPac, has won the 2021 Central Otago Young Grower of the Year competition. The Central Otago Young Grower of the Year competition is sponsored by Summerfruit NZ and the Horticentre Charitable Trust, with support by Oji Fibre Solutions, RD8, NZ Apples & Pears, Centralpac and HortNZ. [Full article available here](https://www.hortnz.co.nz/news-events-and-media/media-releases/jordan-carrol-wins-central-otago-young-grower-of-the-year-competition/)

* 1. **Former World Potato Congress director Ron Gall has passed**

Sadly, the World Potato Congress has learned of the passing of former World Potato Congress Director and International Advisor, Ron Gall. President Romain Cools issued a statement, saying:: “Ron was dedicated to the potato industry and in helping to make the World Potato Congress Inc. the world renowned organization that it is today. After 13 years of involvement with the World Potato Congress Inc., seven as an International Advisor and six as a Director, his commitment and loyalty to WPC will be long remembered. [Full article available here](https://www.freshplaza.com/article/9325513/former-world-potato-congress-director-ron-gall-has-passed/)



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. **Argentina Fresh Deciduous Fruit Semi-annual** Ongoing economic and financial difficulties continue to undermine Argentine fruit exporters’ competitiveness in international markets. [Fresh Deciduous Fruit Semi-annual\_Buenos Aires\_Argentina\_05-15-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Fresh%20Deciduous%20Fruit%20Semi-annual_Buenos%20Aires_Argentina_05-15-2021)
2. **Cambodia Exporter Guide** [**Cambodia Exporter Guide\_Ho Chi Minh City\_Cambodia\_05-03-2021**](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cambodia%20Exporter%20Guide_Ho%20Chi%20Minh%20City_Cambodia_05-03-2021)
3. **Chile Fresh Deciduous Fruit Semi-annual** [**Fresh Deciduous Fruit Semi-annual\_Santiago\_Chile\_05-15-2021**](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Fresh%20Deciduous%20Fruit%20Semi-annual_Santiago_Chile_05-15-2021)
4. **China Decrees 248 and 249 Status Update on Facilities Registration and Food Safety Measures** Both decrees are slated to enter into force in less than 8 months, and sources conveyed this was an insufficient time for industry and foreign competent authorities to comply with the requirements. Chinese importers are unaware of how to comply, too. Furthermore, there is an almost complete lack of clarity about how the decrees will be implemented and the implications for trade, including additional risks, costs, and administrative burdens for all parties. [Decrees 248 and 249 Status Update on Facilities Registration and Food Safety Measures\_Beijing\_China - People's Republic of\_05-23-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Decrees%20248%20and%20249%20Status%20Update%20on%20Facilities%20Registration%20and%20Food%20Safety%20Measures_Beijing_China%20-%20People's%20Republic%20of_05-23-2021)
5. **European Commission Publishes Biotechnology Study** In the third quarter of 2021, the Commission intends to publish an inception impact assessment on plants derived from certain applications of genome editing. [European Commission Publishes Biotechnology Study \_Brussels USEU\_European Union\_05-20-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=European%20Commission%20Publishes%20Biotechnology%20Study%20_Brussels%20USEU_European%20Union_05-20-2021)
6. **Hong Kong Macau Exporter Guide** [Exporter Guide \_Hong Kong\_Macau\_05-20-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide%20_Hong%20Kong_Macau_05-20-2021)
7. **Hong Kong Food and Agricultural Import Regulations and Standards Country Report**

[Food and Agricultural Import Regulations and Standards Country Report\_Hong Kong\_Hong Kong\_06-30-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20Country%20Report_Hong%20Kong_Hong%20Kong_06-30-2021)

1. **India COVID-19 Accelerates the Growth of India's Online Grocery Market** India’s online grocery market grew by 80 percent to $2.66 billion in 2020 primarily due to COVID-19 and the resulting lockdown. [COVID-19 Accelerates the Growth of India's Online Grocery Market\_Mumbai\_India\_05-17-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=COVID-19%20Accelerates%20the%20Growth%20of%20India's%20Online%20Grocery%20Market_Mumbai_India_05-17-2021)
2. **Thailand Updated Approved List of Good Handling Practice Standards** [Updated Approved List of Good Handling Practice Standards\_Bangkok\_Thailand\_05-25-2021](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Updated%20Approved%20List%20of%20Good%20Handling%20Practice%20Standards_Bangkok_Thailand_05-25-2021)

 **Business/ Industry**

* 1. **Exporters have ‘12-18 months’ to prepare as G7 paves way for trade digitisation**

A new commitment made by G7 digital and technology ministers to adopt electronic transferable records in international trade transactions has been hailed as a “momentous step forward” for trade digitisation, and businesses are being called upon to get ready for digital trade now – or risk being left behind. They have agreed a framework that will champion the work of the United Nations Commission on International Trade Law (UNCITRAL) and promote the adoption of its Model Law on Electronic Transferable Records (MLETR).

The declaration marks a huge acceleration in progress towards digitising global trade. Despite more than two decades of efforts, data from the Digital Container Shipping Association (DCSA) shows that [**only 0.1% of bills of lading**](https://www.gtreview.com/news/fintech/industry-association-takes-on-e-bill-of-lading-standardisation/) – just one of many paper-based trade documents – are issued electronically. A key impediment to the scaling of trade digitisation has been the outdated requirement in most jurisdictions that these so-called “negotiable instruments” – or documents of title – be presented in hard-copy paper format.

The strength of the commitment from the G7 ministerial group and the progress already underway in the UK indicate that the international legal framework for global trade is likely to change quickly, and businesses must act accordingly, “Industry now have 12 to 18 months to prepare, because once those legal barriers are removed, the market is going to move extremely quickly because as the business case sets out, the economic driver is enormous,” he says. “The banks, insurers and others will likely move fast to capitalise on the efficiency gains and the technology providers who are already in the market will swoop in as well, so if companies are not prepared, they are going to get left behind, and those that have prepared are going to have a huge competitive advantage and be able to sweep away all the bureaucracy and costs that are dragging on everyone’s businesses.”.” [Full article available here](https://www.gtreview.com/news/fintech/exporters-have-12-18-months-to-prepare-as-g7-paves-way-for-trade-digitisation/)

* 1. **Disinfectant chamber expedites produce arrivals, reducing clearance delays**

Logistics have been severely impacted by the pandemic and the domino effect of multiple port delays has been a disaster for many companies involved in the supply chain of fresh produce. In order to continue shipping fresh produce overseas, Australia-based SRE Innovation found a solution that plays a key role in maintaining a healthy business environment. “The company states that The chamber has resulted in a reduction of possible clearance delays (COVID testing) and delivers a product that has been disinfected against the COVID-19 virus as well as Listeria, E-coli, Salmonella, etc.

The company repots the interest has been overwhelming and SRE Innovation has received an initial order of 30 units from China, to be used for imports and exports. In addition to produce, the technology can be applied to other sectors as well. “It can be applied for the safe transport of small-scale manufacturing, agriculture, agri-food, pharmaceuticals, household goods, and courier/expedited services,” said Chong. In addition, the company has developed a home/office model for the disinfection of mail, parcels, grocery, footwear, and more. [Full article available here](https://www.freshplaza.com/article/9323843/disinfectant-chamber-expedites-produce-arrivals-reducing-clearance-delays/)

* 1. **"Australian fruit has a difficult time in the Chinese market"**

Many Australian fruit traders have complained about the problems they face in the export of fresh fruit to the Chinese market. Their fruit is delayed in Chinese ports and they have no way to get their shipping containers to clients on time. The shipping containers typically spend 7-10 days to clear customs. This is because Chinese customs agents carry out 100% checks on Australian fruit, rather than sample check the containers." The importer also explained that Chinese customs agents only checked about 30% of the Chilean cherry containers this year, but every single Australian container is opened for inspection. Since resources are limited, inspection is very slow. The cost of inspection and rent for storage space all adds to the cost price of Australian fruit, which puts a lot of pressure on Australian exporters. [Full article available here](https://www.freshplaza.com/article/9323791/australian-fruit-has-a-difficult-time-in-the-chinese-market/)

# [Maersk completes brand integration](http://upload.evocdn.co.uk/fruitnet/uploads/asset_image/2_1216358_e.jpg) Freight

* 1. **Container freight rates of Asia-Europe route hitting new highs**

Due to the combined effects of strong shipping demand, port delays, and shortage of containers, the spot price of containers continued to rise and reached new highs. Part of the reasons for this price increase is the shortage of ships, as most of the capacity has been used on the popular trans-Pacific and Asia-Europe trade routes. In fact, in recent months, many ships have been moved from less popular trade routes to the Asian market. Shipping companies have transferred as much capacity as possible to facilitate the booming Asia-Europe and trans-Pacific trade. Nevertheless, there is no sign for the freight rate of the Asia and Northern Europe route to go down.

On May 17, Platts Container Rate 1 showed that the container freight rate of the North Asia and North Europe route soared to USD 12,000/FEU, an increase of USD 1,500/FEU from the previous week and almost tenfold of the USD 1,300/FEU estimated for this route one year ago.

Compared with the beginning of the pandemic, the number of empty containers in circulation in the shipping industry has fallen sharply. This is mainly because once the containers are unloaded from the ship, due to the shortage of workers at the terminal, poor inland transportation, and the pandemic, the time of returning to the port has greatly increased. The whole world feels this. It may take some containers 4 weeks to return to the port after unloading, while at the beginning of 2020, it only took about 7 to 10 days. Due to the outbreak of the Covid pandemic in major hubs around the world, port delays have greatly reduced the availability of support staff, resulting in major delays.

Although the entire industry hopes that these logistics problems can be eased as soon as possible, at this moment it seems that these problems will at least last through the end of the third quarter.

In addition, Platts Container Rate 11 showed that the container freight rate of the North Asia and the UK route also hit a record high, rising from USD 1,325/FEU in the same period last year to USD 14,500/FEU. [Full article available here](https://www.freshplaza.com/article/9323393/container-freight-rates-of-asia-europe-route-hitting-new-highs/)

* 1. **Hapag-Lloyd further expands its container fleet**

The sharp increase in demand has led to a shortage of containers across the world. Severe imbalances – such as with exports from Asia, but also owing to congestion in ports and delays in hinterland transports – are causing containers to be tied up in transit for considerably longer periods of time. More boxes are currently needed overall to manage the same transport volume. For this reason, Hapag-Lloyd has once again invested in its container fleet and ordered an additional 60,000 TEU of standard containers from China. The first boxes will supplement those currently being produced and are scheduled to be delivered to Hapag-Lloyd as early as July and integrated into the existing fleet. The majority will be subsequently delivered in the third quarter. [Full article available here](https://www.freshplaza.com/article/9325045/hapag-lloyd-further-expands-its-container-fleet/)



* 1. **UK: Hillier achieves carbon footprint reduction in year two of Planet Mark certification**

In their second year of carbon footprint reporting and certification to The Planet Mark, Hillier’s Nursery has produced a carbon footprint decrease of 15.1% across their business. From 1st September 2019 to 31st August 2020, the total carbon footprint of Hillier has been calculated to be 2,042.0 tCO2e and the relative carbon footprint 4.9 tCO2e per employee.  
  
In order to better measure their environmental performance, in 2018, Hillier Nurseries joined The Planet Mark. This is a certification program that recognizes companies committing to continuous improvements in sustainability allowing companies to measure and find opportunities to reduce carbon emissions, energy and water consumption, waste, and more.

They have now received their year two certification and reporting figures. In calculating the carbon footprint of the company, they have included all 26 sites, which include Head Office, all nurseries and garden centers. The carbon footprint calculation figure includes emissions from electricity, transmission and distribution losses, natural gas, fuel (propane, gas and oil), water, waste, fleet and business travel. Paper use has also been added for the first time in 2020. Hillier has set a target to reduce emissions across their business by 5% annually.

In line with their commitment to reduce their carbon footprint by 5% each year, they are aiming for a 5% reduction in the next reporting year. Some of the actions Hillier has introduced include:  
- Adding hybrid and fully electric cars to their fleet  
- Additional recycling streams for their garden centers to reduce waste to landfill

“We are also aware this is an ongoing journey and there is more we can do. We have held productive kick-starter sessions across the business, developing more ideas on ways to reduce our carbon emissions moving forwards. The environment and its protection has always been at the core of Hillier business and our partnership with The Planet Mark continues to give us robust support towards our environmental goals,” Hillier adds. [Full article available here](https://www.floraldaily.com/article/9323614/uk-hillier-achieves-carbon-footprint-reduction-in-year-two-of-planet-mark-certification/)

* 1. **[Unilever define regenerative principles](https://www.foodnavigator.com/Article/2021/05/10/Unilever-defines-Regenerative-Agriculture-Principles-Without-consensus-it-s-difficult-to-have-alignment-it-was-important-to-start-the-work)**

[Unilever has gone live with new Regenerative Agriculture Principles (RAPs) which is a framework that outlines “five priority areas” the company says are “in most urgent need of action and where we can generate the biggest impact”. These include regenerating soils, protecting water, increasing biodiversity, developing climate solutions and improving farmer livelihoods. The RAPs will be implemented through impact programmes in partnership with its brands, and focus on key crops including dairy, vegetables, grains, palm, oil, soy and coconut. Full article available here](https://www.foodnavigator.com/Article/2021/05/10/Unilever-defines-Regenerative-Agriculture-Principles-Without-consensus-it-s-difficult-to-have-alignment-it-was-important-to-start-the-work)

* 1. **"How do we fix our broken food system? Invest in local organic farms"**

Over the past year, there have been numerous examples of how the current food system in the United States has failed us in the face of a pandemic. At the same time, there were stories of success and glimpses of hope, too. Many direct-to-consumer farms experienced a boom in business as consumers turned to them when the larger system couldn’t meet their needs, writes Sarah Alexander in The Press Herald.

Jill Agnew of Willow Pond Farm, Maine’s first community-supported agriculture farm, told me that after years of waning interest in her CSA, she suddenly couldn’t keep up with the demand. “People are looking for local food right now. People are realizing that supporting your local farm is an important way to be involved in your community,” she said. Farmers like Agnew stepped up to meet the increased market demand by developing online sales options, adopting contactless pickup and ramping up production. There’s an important lesson that can be gleaned from this: Local and regional food systems are not only better equipped to withstand the challenges of the day, but also act as an antidote to some of them.

The solution to many of the food system issues we faced in 2020 is clear and achievable. When consumers are willing to choose food that is both locally produced and organically grown – instead of local or organic – they are participating in the best solution for our broken food system. Over the past year, our farms have demonstrated how a resilient local food system can work – let’s be sure that we take this time to acknowledge that and invest in them.  [Full article available here](https://www.verticalfarmdaily.com/article/9323922/how-do-we-fix-our-broken-food-system-invest-in-local-organic-farms/" \t "_blank)

 **Innovation**

* 1. **Killer robots: Czechs working on AI prototype to wipe out pests with less insecticide**

Scientists at Mendel University in Brno have developed a prototype robot that identifies insects harmful to agricultural crops and spays just enough of the right chemical to kill them. Already a “greener” solution than the blanket spraying of insecticides, it is learning to identify infestations before they fully erupt.

The prototype robot, being developed in collaboration with other European specialists, can now recognize three insects that feed on the two plants in their greenhouse – tomatoes and peppers. The machine has a moveable arm with a camera jutting out of its torso and insecticide spray containers on its back.

It is programmed to move around the greenhouse stopping at each box of plants for a thorough inspection at regular intervals, and with each round adds to its database of knowledge, says Libor Lenža, a biochemist with a computer science background. “The robot knows what kind of pest it is, how intensely it is present on a given plant, or in a given row, and applies the appropriate amount and type of product accordingly. This greatly reduces the amount of chemicals used in agriculture.” [Full article available here](https://www.hortidaily.com/article/9324592/killer-robots-czechs-working-on-ai-prototype-to-wipe-out-pests-with-less-insecticide/)

* 1. **"Microorganisms have the greatest potential for deploying gene technology in farming"**

Gene-editing techniques are booming. With continued improvements, higher editing success rates and cheaper methods are expected. The positive applications include higher productivity in crop and livestock production as a result of improved plant and animal genetics. Innovative new crop and livestock inputs, such as better probiotics to enhance animal gut health, and new biologicals for crop protection and nutrient uptake can also be expected.

Gene-editing technology, already being applied in humans, plants, animals, and microorganisms, has a vast impact on several areas and industries. As genes are the code for physical traits – such as yield, disease resistance, and appearance – the power of gene editing unlocks possibilities for designing a biological system to suit one’s needs. “Gene editing can greatly reduce the time and cost of plant and animal breeding, which is crucial for a resilient supply chain, especially in this era marked by climate change. Also, it offers added value through innovative products and longer shelf life,” according to Chia-Kai Kang, Analyst – Farm Inputs for Rabobank.

Most applications of gene editing lay in microorganisms, followed by plants and animals. Rabobank assessed the possibilities of gene-editing applications in these three systems, considering the complexity of each system, research costs, and the reputation of the final product within the society. “Based on these criteria, microorganisms have the greatest potential for deploying gene technology since it involves the lowest cost, compared to plant and animal systems, while it is also the simplest system and has a neutral social reputation,” explains Kang. Plants would take second place, followed by animals.

The use of this technology in food and agribusiness is broad, and the impact is growing. Examples of companies making use of it to improve production abound. In crop farming, for instance, a company produces microorganisms for corn, which colonize in the root and can fix nitrogen, reducing the need for synthetic nitrogen fertilizer. Another company uses microorganisms for pest control, including insecticide, fungicide, herbicide.

“Using gene-editing technology, the efficacy of these microorganism-based farm inputs can be increased, leading to higher acceptance rates. This is expected to change farming practices in the long run,” says Kang. Read the complete [report](https://research.rabobank.com/far/en/documents/176986_Rabobank_Gene-Editing-Technology-to-Disrupt-Food-and-Agri-Systems_Kang_May2021.pdf) [here](https://research.rabobank.com/far/en/documents/176986_Rabobank_Gene-Editing-Technology-to-Disrupt-Food-and-Agri-Systems_Kang_May2021.pdf).

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