

**PMAC weekly update 29th October to 5th November**

1. **Government agencies**: New food safety guide for directors, executives and business owners; WTO Notifications
2. **New Zealand News:**  Trade update October; New Zealand dollar heading to GFC lows by end of the year; Kiwi natural products exporters offered US insights; Food Safety Culture – Take It Seriously; Shipping companies - low pollution fuel could carry high price tag; Moving horticulture from products to brands; China’s Dream – Trade War and Peace; Zespri Chairman Peter McBride announces retirement; Avocado thefts : Electric fences and armed patrols; Cannabis cultivation license granted to New Zealand's largest site; Kiwi Cannabis start up Zeacann calls in help to raise $20 million in funding; Kiwi exporters largely upbeat but challenges ahead; Seeka enters into $15.9m sale deal for five kiwifruit orchards; Kiwifruit is king!; Alternative fruit sticker wins top accolade; Could carrots be the secret ingredient to strengthen concrete?; Synthetic pyrethroids come under EPA microscope; New Zealand is beating Australia regarding Pacific work force
3. **International news:** GAIN reports; USDA updates National Road Map for Integrated Pest Management; US: FDA announces measures to prevent future E. coli outbreaks; IBM and Maersk struggling to find blockchain shipping partners; Import risk analysis for US-apples commences; US: Draft guidances to help growers comply with FSMA; USA More and more growers open to labor certification; Jack Ma backs global Alibaba strategy in final letter to shareholders; China's currency value has dropped dramatically; Impact of Chinese tariffs applied to U.S. fresh fruit exports; Freshfel times; Avocado implicated in food protein-induced Enterocolitis Syndrome cases

***Editors comments***

*Two themes are present in this week articles that I’d like to draw your attention to.*

*Firstly there is a lot of interest in cannabis production in New Zealand with the Ministry of Health providing its first licence and a company is seeking funding to set up a growing facility. All the articles I have seen to date see opportunities for New Zealand to produce and export cannabis. But we do need to remember all over the world cannabis is becoming more acceptable and businesses around the world are moving into cannabis production. New Zealand horticulture has shown we can lead the world and I note that the Plant and Food article on moving from products to brands that it recognises the importance of science in differentiating our product. Let’s hope future New Zealand cannabis growers set themselves up to succeed, learn to cooperate early and leverage the good science and standards that New Zealand organisations can produce*

*Secondly the international trading environment and in particular the effect of the China / USA trade war. China’s Dream – Trade War and Peace a tradeworks opinion piece comments on the dilemma for China and once again calls for other countries to call for open trade. The International section identifies that the Chinese currency has fallen relative to the USA and notes the Chinese hold $1.2 trillion in USA government bonds. With these holdings the Chinese could easily destabilise the American economy if they choose to call in those bonds. A second article looks at the potential effect of the Chinese tariffs on their sales of fruit.*

1. **Agency news**



* 1. **New food safety guide for directors, executives and business owners**

New Zealand Food Safety last week released a new publication that provides foundation food safety information for directors, executives and owners of food businesses. It was developed with the support of the Institute of Directors and is designed to assist directors, executives and business owners understand their responsibilities in relation to food safety and to improve food safety culture in their businesses.

"Food safety is critical to trust and confidence in our products and services. Boards and directors have a key role in driving excellence in food safety governance to ensure the long-term sustainability of their organisations and industries.

Documents available include

* [Food safety: Good governance guide for directors, executives and business owners](https://www.mpi.govt.nz/dmsdocument/31386-food-safety-good-governance-guide-for-directors-executives-and-business-owners) [PDF, 1018 KB]
* [Food safety poster for directors, executives and business owners](https://www.mpi.govt.nz/dmsdocument/31383-food-safety-guide-for-directors-a3-poster) [PDF, 432 KB]

[**Full article available here**](https://www.mpi.govt.nz/news-and-resources/media-releases/new-food-safety-guide-for-directors-executives-and-business-owners/)

* 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:

* [India Draft Food Safety and Standards (Contaminants, Toxins and Residues) Amendment Regulations, 2018](=HYPERLINK(%22https:/docs.wto.org/imrd/directdoc.asp?DDFDocuments/t/G/SPS/NIND224.DOCX%22,%22EN%22))
* [Korea MRL’s](=HYPERLINK(%22https:/docs.wto.org/imrd/directdoc.asp?DDFDocuments/t/G/SPS/NKOR620.DOCX%22,%22EN%22))



1. **New Zealand News**

**Export NZ** full newsletter [click here](http://www.exportnz.org.nz/news-and-info)

* 1. **Trade update October**

**CPTPP -** With New Zealand and Canada having ratified the CPTPP Agreement late last week we are now just one member away from the agreement coming into force.  If all goes well Australia might ratify this week.  This would mean that CPTPP will be in force by early January 2019.

**RCEP**  Good progress was achieved in Auckland last week in the latest round of negotiations on the Regional Comprehensive Regional Partnership.  As New Zealand already has FTAs with ASEAN, Australia, China, Korea and Japan this agreement is in practice about a New Zealand FTA with India.   With the WTO system becoming increasingly dysfunctional this is an important achievement.

**Pacific Alliance** Colombia attended the most recent negotiations in Mexico City. Negotiators remain hopeful that an agreement can be reached by the end of the year

**US** It seems that we will continue paying 25% of our steel and 10% on our aluminium exports.  

**WTO Reform** Ministers from a number of WTO countries met in Ottawa to push a reform agenda.  The meeting went well. See the [Joint statement from that meeting : Urgent action needed to reform the WTO](https://businessnz.cmail19.com/t/r-l-jjhhkuyk-aekytdhr-f/)   [Full article available here](https://www.exportnz.org.nz/news-and-information/news/2018/trade-updates-2018/trade-update-october?utm_medium=email&utm_campaign=The%20Exporter%20October%202018&utm_content=The%20Exporter%20October%202018+CID_86f48698acf9b187db3d8e44c6fe3bf5&utm_source=Campaign%20Monitor&utm_term=More)

* 1. **New Zealand dollar heading to GFC lows by end of the year**

The New Zealand dollar has taken a dive against the greenback and will continue to fall to levels not seen since the global financial crisis, ANZ predicts. ANZ senior macro strategist Phil Borkin recently said it was the first time the New Zealand dollar had threatened to fall below 64 US cents since 2015 - and the bank's view was that there are more falls to come. "The currency is at these levels because the US dollar is so strong and that's quite a different dynamic to 2008-09 when the New Zealand economy was in recession. [Full article available here](http://www.stuff.co.nz/manawatu-standard/business/107637408/New-Zealand-dollar-heading-to-GFC-lows-by-end-of-the-year-ANZ-says)

* 1. **Kiwi natural products exporters offered US insights**

New Zealand natural products exporters and entrepreneurs have an opportunity to gain insights to give them the inside running into the US market at an Enterprise Bootcamp on 13-14 November, 2018. The two-day training event, featuring Stonyfield Farm founder Gary Hirshberg and a number of his internationally-renowned colleagues is being brought to New Zealand by Buy Pure New Zealand, NZTE and ANZ. Buy Pure Managing Director Brendan Hoare says gaining access to expertise of the likes of Hirshberg is incredibly valuable for New Zealand producers, exporters and entrepreneurs seeking to gain an insight into the world’s largest and fastest growing certified organic and natural market. [Registration and more information here->>](https://businessnz.cmail19.com/t/r-l-jjhhkuyk-aekytdhr-e/)

**General**

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| |  | | --- | | * 1. **Food Safety Culture – Take It Seriously**   Food safety culture is the product of shared values, beliefs and norms that affect mindset and behaviour towards food safety across an organisation. Australian Food Safety Week from 12 – 17 November will deliver a consumer-facing campaign on [Food Poisoning – Take It Seriously](https://freshproducesafety-anz.us6.list-manage.com/track/click?u=c73673335989d1fc2801530c8&id=6591fd6de0&e=f93013672e)**.**  Dr Pieternel Luning, a visiting professor from Wageningen University in the Netherlands, will present her findings and suggest practical strategies to strengthen food safety culture. In a webinar she will address what good food safety culture looks like (for businesses large and small), the key steps to get there, and how businesses can measure the benefits of a good food safety culture.    This webinar is brought to you by The University of Sydney, ARC Training Centre for Food Safety in the Fresh Produce Industry, and the Fresh Produce Safety Centre Australia & New Zealand.   **The Details:** **Date:** Thursday 15 November 2018 **Time:** 12noon-1pm (AEDT) **Webinar:** To watch, listen, speak and post – [click here](https://freshproducesafety-anz.us6.list-manage.com/track/click?u=c73673335989d1fc2801530c8&id=ba3ddd8453&e=f93013672e) – using Google Chrome. [http://bit.ly/FoodSafetyCultureWebinar](https://freshproducesafety-anz.us6.list-manage.com/track/click?u=c73673335989d1fc2801530c8&id=9a67aeec81&e=f93013672e)  **Technical Issues:** Having technology issues? Please text Martin King on +61 414 356 279 **Can't make it?** Please send questions to [jessica@fpsc-anz.com](mailto:jessica@fpsc-anz.com?subject=Food%20Safety%20Culture%20-%20questions) | |

* 1. **Shipping companies - low pollution fuel could carry high price tag**

The New Zealand government is currently inching towards cutting pollution levels. Its Ministry of Transport will shortly begin public consultation on whether to ratify Annex VI of an international maritime convention (MARPOL) which makes use of lower sulphur level fuel mandatory from 2020.

Shipping line Maersk​ converted to using the cleaner burning fuel in New Zealand waters in 2011, but switched back after its fuel bill soared by $1 million during the one year trial, although the switch back forced the company to turn down a nomination for a Clean Air Society achievement award.

Maersk makes about 1,000 New Zealand port visits a year. Its Oceania operations manager, Stuart Jennings, says the more expensive fuel cuts sulphur levels in exhaust gases by more than 80 percent.

From 2020 all vessels in its global fleet would comply with the Annex VI requirement to reduce maximum sulphur levels from 3.5  percent to 0.5 percent, regardless of whether New Zealand had ratified the clause.

Ministry of Transport international connections manager Tom Forster said the Resource Management Act allowed for discharges into air for normal ship operations, and New Zealand had not previously signed up to Annex VI "because our weather conditions and comparatively small ship numbers meant maritime air pollution was not seen as a significant issue. Domestic legislation would need to be changed if ratification was agreed on once consultation was completed. [Full article available here](http://www.freshplaza.com/article/9038021/shipping-companies-low-pollution-fuel-could-carry-high-price-tag/)

* 1. **Moving horticulture from products to brands**

Plant & Research chief executive David Hughes says a major shift has occurred in the market sophistication of the horticulture industry. “You’ve moved away from the point where you are exporting product and a country of origin; you are not just selling apples any longer. You are selling a Jazz or another brand of apple,” Hughes told *Hort News*. “There is a sophisticated marketing programme behind it  and sophisticated quality standards. Consumers have high expectations about what they are buying and they are certainly not comparing how many dollars per kilo is in this big bag.

“It is a high-engagement purchase with not insignificant sums of money for a single item. It is similar to people thinking about which bottle of wine to buy -- choosing a particular brand because you like the experience and you like the brand because it matches what you want. “People are starting to think about primary produce in the same context; that is pretty exciting. It matches the increasing engagement with food particularly in western countries. “People are thinking hard about what they are eating, not just in a negative context of ‘will it make me fat?’ but in a genuinely interesting dialogue about what they are eating, where it has come from, where is the origin, or the culinary style they are engaging with: ‘what does it say about my values and my belief in my food choices?’

For Plant & Food Research that calls for “a whole of pile of sophisticated science”. Achieving a very high quality product that matches people’s values can present significant scientific and technical challenges.  Hughes says he is hugely optimistic about the potential of the horticulture industry to keep growing its value-add and scale of exports. Plant & Food Research has been growing at about 8% per year for the last four years and will probably have to keep growing to meet the demands of the sector. “Science is becoming a big team game. Once you gave Nobel prizes to individuals, but increasingly in science you give prizes to teams of people. A good example of that was the PM’s science prize awarded to Plant & Food Research for [kiwifruit disease] Psa work.   We had 100 people on that citation and that was a harsh cut-off. That is an enormously big team tackling a very complex question needing answers in great urgency.” [Full article available here](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/moving-horticulture-from-products-to-brands)

* 1. **China’s Dream – Trade War and Peace**

President Xi Jinping’s dream (中国梦)is one with Chinese characteristics.  He speaks of a “new era” for Chinese development, one from which China will emerge as a “moderately prosperous” (sic) and “fully developed” nation.  The China dream is to be achieved largely by cultural and economic rejuvenation, including the sharp crack-down on corruption underway for several years now and the embracing of a new technologically-based economy particularly in areas like artificial intelligence (AI), robotics, biotech and in the digital space.

There are many aspects of this dream to admire – notably its focus on eliminating poverty and promoting environmental sustainability – but also to raise concern – its neglect of individual freedoms and social and religious diversity, for example. On the economic side, the China dream foresees an expanded role for China’s state-owned enterprises and the use of massive state subsidies – that’s a problem for the rest of the world which sees them as a root cause of global market distortion.

Initiatives like the “Made in China 2025” industry policy are likewise seen as a narrowly conceived bid for economic dominance in the high-tech sector.   Other models are more usefully based on principles of economic inter-dependence and co-operation, like the [Belt and Road Initiative (BRI)](http://www.beltandroad.co.nz/), which, if the geo-politics can be avoided, offers scope for enhanced connectivity.

Across the Pacific, President Donald J Trump has also has a dream, one firmly focused on preserving, seemingly at any cost, US pre-eminence both in economic and security terms.  [The trade war unleashed against China](http://www.tradeworks.org.nz/the-law-of-intended-consequences/) is still limited in scope but is doubtless having an impact – most noticeably, on the US agricultural sector, which is being deprived of a lucrative market by Chinese retaliation.  Where this will end no-one really knows, not the least of whom the Chinese who may be at a loss to understand what exactly they need to do to avoid the worst.  That’s because this conflict is no longer really about trade per se – it is a much wider contest of competing economic and social visions as the US challenges the very basis of the Chinese dream itself.  That makes the current environment even more worrisome.

China and the United States are two huge poles of economic activity with the ability to deliver much needed prosperity to the rest of the world.  They are themselves already highly integrated.  Their friends and partners have a key interest in their mutually assured success.  Rather than picking sides, we in New Zealand and others need to be doing all we can, both bilaterally and through the multilateral institutions to which we belong, to encourage the greater alignment of these competing dreams and visions. [Full article available here](http://www.tradeworks.org.nz/chinas-dream-trade-war-peace/)

**Industry news**

* 1. **Zespri Chairman Peter McBride announces retirement**

Peter McBride, who has chaired the Board of Zespri since 2013, will step down as Chairman of Zespri in February 2019 and will retire as a director of Zespri at the company’s next Annual Meeting in July 2019.  
  
The Board of Zespri confirms that Deputy Chairman Bruce Cameron will become Chairman in February 2019. Mr Cameron is a long-time kiwifruit grower and has been a director of Zespri since 2010. The succession provides for continued strong leadership and experience on the Board.  
  
*The article contains information on the growth of the kiwifruit industry during Peters thime as a directorand Chairman.*[Full article available here](http://www.freshplaza.com/article/9037965/zespri-chairman-peter-mcbride-announces-retirement/)

**Crop news**

* 1. **Avocado thefts : Electric fences and armed patrols**

The global demand for avocados is driving a crime wave in New Zealand’s Bay of Plenty, where orchards line the state highway heavy with fruit, and are largely unprotected. Avocados will be sold on the black market for a dollar apiece and thieves can easily pick thousands of dollars’ worth of fruit in one night. As demand has soared, gangs with links to organised crime in the nation’s biggest city are using increasingly sophisticated methods to target the superfood, including scouring satellite images on Google Earth to identify unsecured orchards.

There is no reliable data on the number of avocado thefts in New Zealand because police do not differentiate the fruit from other produce thefts, but anecdotal evidence suggests the crime is becoming more widespread and common.At least two people have been attacked by thieves on their orchards this season, and dozens of overnight raids have taken place on farms. The raids have been largely confined to the Bay of Plenty, though one Northland grower had 70% of his orchard pinched at a cost of NZ$100,000, according to reporting in the local press. [Full article available here](http://www.freshplaza.com/article/9037957/avocado-warfare-in-new-zealand-electric-fences-and-armed-patrols/)

* 1. **Cannabis cultivation license granted to New Zealand's largest site**

The Ministry of Health has granted a license to cultivate cannabis to Helius Therapeutics – the first license to be issued in Auckland and the largest licensed site in the country. It will cultivate cannabis plants at its East Tamaki facility.The license allows Helius to establish a cannabis breeding programme and develop new cannabis plant varieties, known as chemovars, for use in the research and development of therapeutics. The license also allows the company to cultivate cannabis plants across two large-scale grow sites and nursery within its Auckland facility.  
   
Having secured $15m in investment, led by Kiwi tech billionaire Guy Haddleton, Helius expects to complete the next stage of its facility by May 2019.  Helius’s ambition is to become one of the world’s premier medicinal cannabis brands . Helius has developed two clinical trials which will be conducted in New Zealand and the company has committed to an extensive R&D plan. Early product development will target sleep disorders, anxiety, arthritis and chronic pain. The company has formed relationships with local and international research institutes and is set to open its own cannabinoid research laboratory in 2019. [Full article available here](http://www.hortidaily.com/article/9038020/cannabis-cultivation-license-granted-to-new-zealand-s-largest-site/)

* 1. **Kiwi Cannabis start up Zeacann calls in help to raise $20 million in funding**

Zeacann is a New Zealand start-up that is looking for a $20 million investment for its projects in the cannabis market. It has initiated a capital raising that willvtarget wholesale investors to grow the business. Zeacann Founder, Chris Fowlie, said the funds would be used to build two hybrid greenhouses in Auckland, cultivate its first crop, fit out laboratories, and conduct future research. It was one of a growing number of Kiwi medicinal cannabis companies. The companies had taken different routes to get funding. Mr Fowlie added it had quickly realised it had to scale if it was to deliver a product at a reasonable price. He noted affordability was a big barrier to people. The business planned to begin growing cannabis next year, following expected law changes. He wanted to target the growing international market. New Zealand could differentiate itself by developing unique

products that couldn’t be found anywhere else. Mr Fowlie anticipated increased competition.

[Full article available here](http://www2.nzherald.co.nz/the-country/rural-business/news/article.cfm?c_id=1504329&objectid=12150773)

* 1. **Kiwi exporters largely upbeat but challenges ahead**

According to the 2018 ExportNZ DHL Export Barometer, New Zealand exporters were largely ptimistic despite tensions around international trade. It showed over half of the respondents had increased

international orders, while 60 percent were optimistic overseas orders would increase. ExportNZ Executive Director, Catherine Beard, said exporters should be prepared for any new challenges ahead. Exporters were looking to the Government for support amidst various concerns. Over 50 percent of the respondents said they wanted more help from the Government to attend international trade shows with other New Zealand companies, as well as help them to find trusted partners in overseas markets. [Full article available here](http://www2.nzherald.co.nz/the-country/rural-business/news/article.cfm?c_id=1504329&objectid=12149820)

* 1. **Seeka enters into $15.9m sale deal for five kiwifruit orchards**

Seeka agreed to sell five Northland kiwifruit orchards for almost $16 million. It said the agreements included the purchasers entering into long term supply contracts for each of the orchards, which

Seeka would manage on their behalf. Seeka added the sale agreements were conditional on the purchasers completing due diligence within 20 days. It remained open to negotiation for the sale of other orchards in its Northland portfolio. [. Full article available here](https://www.radionz.co.nz/news/country/369349/seeka-enters-into-15-point-9m-sale-deal-for-five-kiwifruit-orchards)

* 1. **Kiwifruit is king!**

New Zealand kiwifruit demand is being driven by a trend amongst consumers who are looking to live better and healthier lives. Zespri Chief Executive, Dan Mathieson, said kiwifruit fit perfectly into that category. He added sales growth had been strong with 150 million trays last year, up from 120 million. A lot of the increase was driven by the Sungold variety. He noted looking long term, Zespri believed the trend would continue with ongoing growth in demand for healthy, nutritious food . [Full article available here](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/kiwifruit-is-king?tmpl=component)

**Other**

* 1. **Alternative fruit sticker wins top accolade**

A water-soluble, environmentally friendly fruit sticker that will reduce waste and encourage consumers to wash their fruit has made its creators award winners. For the past eight months, Woodford House students; Sarah Wixon, Maggie Peacock, Zoe Rookes and Rylie Bensemann have been hard at work in the science lab perfecting their product: Bayuble.

While the make-up of their sticker material is a trade secret, it uses a by-product of apples.

Wixon said it required an "intensive amount" of testing, and a number of prototypes never made it.

"Since we are still in the research and development stage, we hope to continue our testing and look forward in to the future of Bayuble to see what we can do, how we can make our products better and expand our product range. This is not the end." [Nzherald.co.nz](https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12148490) reported that while the students have put in a lot of hard work, they were still very surprised that their company -Bayuble Woodford House- was named Young Enterprise Scheme (YES) Company of the Year for Hawke's Bay. [Full article available here](http://www.freshplaza.com/article/9036953/new-zealand-alternative-fruit-sticker-wins-top-accolade/)

* 1. **Could carrots be the secret ingredient to strengthen concrete?**

Carrots have the potential to strengthen cement and cut carbon dioxide emissions in the building industry, according to researchers at Lancaster University. They found concrete strength could be increased by up to 80 percent by using a small amount of the new material. The carrots prevented any cracks in the concrete. They could also lower the total carbon dioxide output. The carrot particles were supplied by CelluComp. CelluComp CEO, Christian Kemp-Griffin, said it was the cellulose that made carrots rigid and crunchy. Cellulose was also found in wood, but was easier to extract from vegetables. He added a few fibres would be an additive that would enhance performance. The team would continue to test the mixtures. [Full article available here](https://www.radionz.co.nz/news/country/369554/could-carrots-be-the-secret-ingredient-to-strengthen-concrete)

* 1. **Synthetic pyrethroids come under EPA microscope**

Last week the EPA announced they will be investigating products containing synthetic pyrethroids as part of our revamped reassessments programme which we announced in mid-October.

Synthetic pyrethroids are insecticides found in some fly sprays, insect repellents, automatic dispensers, bed bug treatments, and animal flea collars and treatments. “New information from international regulators in the United States, Canada and the European Union has identified certain risks to people and animals from the use of products containing synthetic pyrethroids.  These warrant further investigation. The EPA;s call for information to inform the reassessment will close on 1 February 2019. Once this is completed, the EPA will use this information to determine what the next steps are. ”[Information about the EPA reassessments process](https://www.epa.govt.nz/industry-areas/hazardous-substances/chemical-reassessment-programme/)

[Find out more about the call for information](https://www.epa.govt.nz/public-consultations/open-consultations/call-for-information-on-synthetic-pyrethroids/)

[View the EPA’s caution notice](https://www.epa.govt.nz/news-and-alerts/alerts/safe-use-of-products-to-kill-fleas-flies-and-other-insects/)

* 1. **New Zealand is beating Australia regarding Pacific work force**

Both New Zealand and Australia want to attract tourist fruit pickers [‘backpackers’] and seasonal workers from around the Pacific. However, latterly the numbers are becoming somewhat skewered. For every 1,000 backpackers picking fruit and vegetables in New Zealand, there are about 3,000 seasonal workers from the Pacific. In Australia, the mix is different: for every 1,000 backpackers there are only about 250 Pacific seasonal workers.

The Australian outcome is what the research literature predicts: employers preferring the more flexible, much less regulated backpacker. It’s less hassle, and as recent media and academic research has shown, easier to get away with underpaying backpackers, where no government approval or reporting is required, than with seasonal workers, where stringent approval and reporting requirements are imposed.

The article puts down the difference to the following factors for why RSE has been more popular than Australia’s 2009 Seasonal Worker Program (SWP).

* New Zealand’s horticultural sector has a much stronger export orientation meaning NZ can’t be seen to be exploitative.
* New Zealand’s horticultural sector is much better organised than in Australia, and has a single peak body and employs someone to promote RSE.
* Australia’s minimum wage is significantly higher than New Zealand’s, and it has a weaker enforcement regime, making it less likely that you’ll be caught if you cheat.
* Australia simply attracts far more backpackers than New Zealand, making the potential pool of backpacker farm labour that much larger. In the 2017-18 financial year, Australia had 210,000 backpackers while New Zealand had only 70,000. [Full article available here](http://www.freshplaza.com/article/9038781/new-zealand-is-beating-australia-regarding-pacific-work-force/)



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. **Chile Food Service -** Chile is considered South America’s most stable and prosperous nation in Latin America and the Caribbean.  The World Bank predicts Chile’s GDP will grow by 4 percent in 2018 thanks to improving private-sector prospects, .   [Food Service - Hotel Restaurant Institutional\_Santiago\_Chile\_10-18-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Santiago_Chile_10-18-2018.pdf)
2. **Malaysia Food Service**  Malaysia’s hotel, restaurant and institutional (HRI) industry is one of the fastest growing sectors in the country’s economy and is largely driven by robust tourism and consumer spending.  [Food Service - Hotel Restaurant Institutional\_Kuala Lumpur\_Malaysia\_10-12-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Kuala%20Lumpur_Malaysia_10-12-2018.pdf)
3. **Philippines 2018 HRI Food Service** The stronger purchasing power of Philippine consumers, growing middle class, and increasing urbanization drove a higher frequency of dining out. [Food Service - Hotel Restaurant Institutional\_Manila\_Philippines\_10-11-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Manila_Philippines_10-11-2018.pdf)
4. **Philippines Exporter Guide** The United States continues to be the Philippines’ largest supplier of agricultural products, and the Philippines is its tenth largest global market.  Despite inflation, a weak Philippine peso and trade restrictions, strong consumer spending kept sales of U.S. agricultural exports to the Philippines close to $2.6 billion in 2017 [Exporter Guide\_Manila\_Philippines\_10-10-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Manila_Philippines_10-10-2018.pdf)
5. **Taiwan Food Service** Taiwan has a very dynamic food service industry exemplified by this year’s release of the first Michelin guide for Taipei. The food service sector is a bright spot for the Taiwan economy with revenues growing from US$10.88 billion in 2008 to US$15.15 billion in 2017.  
   [Food Service - Hotel Restaurant Institutional\_Taipei ATO\_Taiwan\_10-15-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Taipei%20ATO_Taiwan_10-15-2018.pdf)

**Regulatory**

* 1. **USDA updates National Road Map for Integrated Pest Management**

The U.S. Department of Agriculture (USDA) announced the first update since 2013 of the [National Road Map for Integrated Pest Management](https://www.ars.usda.gov/ARSUserFiles/OPMP/IPM%20Road%20Map%20FINAL.pdf) (IPM).

The National Road Map for Integrated Pest Management (IPM), first introduced in 2004, is periodically updated to reflect the evolving science, practice, and nature of IPM. The Road Map provides guidance to the IPM community on the adoption of effective, economical, and safe IPM practices, and on the development of new practices where needed. The guidance defines, prioritizes, and articulates pest management challenges across many landscapes, and helps to identify priorities for IPM research, technology, education and implementation through information exchange and coordination among federal and non-federal researchers, educators, technology innovators, and IPM practitioners. [Full article available here](http://www.floraldaily.com/article/9037457/usda-updates-national-road-map-for-integrated-pest-management/)

* 1. **US: FDA announces measures to prevent future E. coli outbreaks**

Earlier this year, the US experienced the largest E. coli O157:H7 outbreak the country has seen in the last decade, leaving hundreds sick and claiming the lives of five people who consumed contaminated romaine lettuce.

The FDA undertook a comprehensive investigation ""The environmental assessment issued last week confirms the presence of E. coli O157:H7 in three samples of irrigation canal water collected as part of this investigation in the Yuma region. It considers that the most likely way the romaine lettuce became contaminated was from the use of water from the irrigation canal. How the water contaminated the lettuce is uncertain. And how the irrigation canal became contaminated with the outbreak strain of E. coli O157:H7 is also uncertain. While it may have been from a large concentrated animal feeding operation (CAFO) the investigation did not exclude other ways the irrigation canal could have become contaminated with this outbreak strain.

The environmental assessment recommends a number of steps that can be taken to reduce the likelihood of another tragic outbreak "Fully implementing the [Food Safety Modernization Act](https://www.fda.gov/food/guidanceregulation/fsma/) (FSMA) is critical to these efforts. And because leafy greens are a highly perishable commodity, the ability to traceback the route of a food product as it moves through the entire supply chain, or traceability, is critical to removing the product from commerce as quickly as possible, "Going forward, both FDA and industry need to explore better ways to standardize record keeping and determine whether the use of additional tools on product packaging could improve traceability.( Note many records examined in this investigation were hand written pieces of paper)

"The FDA strongly encouragea the leafy greens industry to adopt traceability best practices and state-of-the-art technologies to help assure quick and easy access to key data elements from farm to fork. We also strongly encourage the leafy greens industry to explore modern approaches to standardized record keeping and the use of additional tools or labels on product packaging that could improve traceability. [Full article available here](http://www.freshplaza.com/article/9038777/us-fda-announces-measures-to-prevent-future-e-coli-outbreaks/)

**Business**

* 1. **IBM and Maersk struggling to find blockchain shipping partners**

Not so long ago, shipping giant Maersk and tech provider IBM set up TradeLens, their distributed ledger technology platform for supply chains. Which was then spun off from Maersk into a joint venture with IBM. But in that time the network has enticed only one other carrier onto the platform: Pacific International Lines (PIL), one of eight shipping lines in Asia.

As that is not enough, the IBM-Maersk joint collaboration needs more carriers. The platform is designed such that Maersk's rivals will act as "trust anchors" and run full blockchain nodes on the network. Moreover, large shippers of goods use multiple carriers and freight-forwarders, and the value proposition involves managing cargo and inventory across all of them. If the system is going to work more large carriers is an absolutely necessary condition for TradeLens. The problem is that Maersk's rival shipping carriers are concerned about joining the platform on a less than equal footing. Indeed, the chiefs two rival shipping carriers, CMA CGM and Hapag-Lloyd, have publicly dismissed the Maersk-IBM blockchain solution as unusable. [Full article available here](http://www.freshplaza.com/article/9037096/ibm-and-maersk-struggling-to-find-blockchain-shipping-partners/)

* 1. **Import risk analysis for US-apples commences**

DAWR has formally commenced an import risk analysis for apples from the Pacific Northwest States (Oregon, Idaho and Washington) of the United States of America. Confirmation of the import risk analysis came via a Biosecurity Advice, issued via the [DAWR website](https://apal.us5.list-manage.com/track/click?u=5b5d01202774925ea7bff458e&id=2ff15ecfb6&e=2c315ab13f). DAWR expects to release its draft report during the first half of 2019, signalling the start of a 60-day public consultation period where submissions will be received from all interested parties. If import conditions can be established, the USA will join China, New Zealand and Japan with access to the Australian apple market .[Full article available here](http://www.freshplaza.com/article/9038528/import-risk-analysis-for-us-apples-commences/)

* 1. **US: Draft guidance to help growers comply with FSMA**

On October 19, the U.S. Food and Drug Administration (FDA) issued two draft guidance documents to help farmers and fresh-cut produce processors better understand what they need to do to meet requirements established by the FDA Food Safety Modernization Act (FSMA).

The first draft guidance is a [compliance and implementation guide](https://www.fda.gov/downloads/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/UCM623178.pdf?utm_campaign=FSMA%20Update%3A%20Draft%20Guidances%20Will%20Help%20Farmers%20and%20Fresh-Cut%20Produce%20Processors%20Comply%20with%20FSMA&utm_medium=email&utm_source=Eloqua) to assist growers with meeting the requirements of the Produce Safety Rule under FSMA. To further assist farmers and other stakeholders, FDA has also published [At-A-Glance](https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm606284.htm?utm_campaign=FSMA%20Update%3A%20Draft%20Guidances%20Will%20Help%20Farmers%20and%20Fresh-Cut%20Produce%20Processors%20Comply%20with%20FSMA&utm_medium=email&utm_source=Eloqua) overviews that highlight the key points in each chapter in the draft guidance.

The second draft guidance, [Guide to Minimize Food Safety Hazards of Fresh-cut Produce](https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm623716.htm?utm_campaign=FSMA%20Update%3A%20Draft%20Guidances%20Will%20Help%20Farmers%20and%20Fresh-Cut%20Produce%20Processors%20Comply%20with%20FSMA&utm_medium=email&utm_source=Eloqua), explains the FDA’s current thinking on how fresh-cut produce processors, such as those that prepare bagged salad mixes and fruit salad, may comply with the requirements found in the Preventive Controls for Human Food Rule under FSMA. Both draft guidance documents will be open for public comment for 180 days.. [Full article available here](http://www.hortidaily.com/article/9036468/us-draft-guidances-to-help-growers-comply-with-fsma/)

* 1. **USA More and more growers open to labor certification**

It’s something that’s needed now more than ever. That’s the stance from the Equitable Food Initiative, a labor and supply chain certification body based in Washington, DC. The organization’s Equitable Food Initiative Standards certification is designed to apply to fruit and vegetable crops and includes addressing a variety of aspects of the business--from labor conditions to food safety to pest management. “Certification is a means rather than an end. It tells retailers and consumers that the supplier has met a certain set of conditions,” says EFI’s Peter O’Driscoll, adding that EFI’s certification is an assertion to retailers and consumers about the safety and integrity of the commodity. Certification in this situation means training workers—think e-learning opportunities and ‘Train the Trainer’ options. ERI is aiming to set up a customized approach on each farm

Advantages that will be associated with the certification ?

* More informed workers/ manager “to help bring the farm into compliance. That worker engagement in verification compliance is key for us,”
* Insights from workers on things like—how do we retain good workers? Attract others we need?’ They can address issues in the workplace such as shrink and fulfillment rates,”
* Making an employer more attractive in the environment where labor is scarce. Leadership

[Full article available here](http://www.freshplaza.com/article/9037879/more-and-more-growers-open-to-labor-certification/)

  **China**

* 1. **Jack Ma backs global Alibaba strategy in final letter to shareholders**

In his final letter to the shareholders, Alibaba founder and executive chairman Jack Ma made a case for globalisation, despite the fact that recently more uncertainties have appeared in US-China trade relations, consumer trends, stock markets and the manufacturing industry.

Regarding these, Ma said: “The only question is how we should pivot. Monumental challenges give rise to monumental opportunities, and Alibaba is well-positioned because we are adept at weathering adversity.” Ma added that Alibaba’s mission to make it easy to do business anywhere is precisely suited to the current environment, in which doing business is becoming harder: “Ma reaffirmed the company’s commitment to sustainable growth for at least 102 years, with the goal of serving two billion global consumers, empowering 10 million profitable businesses and creating 100 million jobs by 2036, even as he prepares to step down from the board in September 2019, when CEO Daniel Zhang will take over his role as executive chairman. [Full article available here](http://www.freshplaza.com/article/9038572/jack-ma-backs-global-alibaba-strategy-in-final-letter-to-shareholders/)

* 1. **China's currency value has dropped dramatically**

China’s currency has been losing points, hitting its lowest level against the US dollar in a decade.  The reason behind this slide isn’t because of manipulation by the People’s Bank of China. The reason the yuan is being dumped now is that investors are concerned about a trade war between America and China.

If president Trump’s response is to intensify his trade war with the China, he will set up a vicious downward cycle, and where that will end should worry people. And China has quite some weaponry in this scrap: it holds some $1.2 trillion worth of US government bonds. Imagine if China decided to dispose of them on the bond market. Huge disruption – and a worldwide economic shock. Or even to run them down in an orderly fashion. [Full article available here](http://www.freshplaza.com/article/9037928/china-s-currency-value-has-dropped-dramatically/)

* 1. **Impact of Chinese tariffs applied to U.S. fresh fruit exports**

It is difficult to forecast the impact of increased tariffs on U.S. imported fruit into China. For those who are interested this article looks at the potential impacts on cherries, citrus and apples.

For apples it notes New Zealand and Chile remain top suppliers. With increased tariffs, the U.S. may experience more competition from New Zealand, although U.S. pricing was more competitive prior to tariffs. [Full article available here](http://www.freshplaza.com/article/9038052/impact-of-chinese-tariffs-applied-to-u-s-fresh-fruit-exports/)

 **Marketing**

* 1. **Freshfel times**

The Freshfel time is produced every two to three months by the European fresh producers association. The Headlines for the latest period can be found [here](https://freshfel.org/fresh-times-5-2018/).   
  
In this edition, you can find the following initiatives:

* Editor's Note: The arrival of autumn
* Poland: 5 portions of health at school
* Italy: 'Amiamoci' Zespri
* The Netherlands: Healthy school canteens
* Italy: Fruit and salad on the beach
* Europe: Dr. Goodfood is here for you!
* The Netherlands: Fruit and vegetables forever!
* Germany: Saying no to waste!
* France: Diploma in fruit and vegetables
* The Netherlands: Apples and pears galore
* Poland: Season for fruits and vegetables
* Italy: The sun is shining again

 **Food safety**

* 1. **Avocado implicated in food protein-induced Enterocolitis Syndrome cases**

According to results of a recent study, the prevalence of food protein-induced enterocolitis syndrome (FPIES) due to avocado consumption appears to be higher than previously believed.

FPIES is a gastrointestinal food-associated hypersensitivity that often affects infants and toddlers. Its symptoms are: vomiting, diarrhea, fatigue and pallor. The data regarding its incidence is limited. However, it is estimated to be 1.5 to 30 per 10,000. [Full article available here](http://www.freshplaza.com/article/9037489/avocado-implicated-in-food-protein-induced-enterocolitis-syndrome-cases/)

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