

**PMAC weekly update 1st to 8th August**

1. **Government agencies**: ICPR Changes MPI Investing in a new primary industry export certification system, US Webinar for all US FDA registered foreign food facilities, MFAT’s Global Trade and Economic Update for NZ Businesses – 5 August 2022, Singapore moves to secure access to essential goods and services
2. **New Zealand News:** Damien O Connors Speech to the China Business Summit, Foreign Minister reconnecting with ASEAN and Malaysia, Nadine notes there is little Govt understanding of Hort, Major 'GAP' in understanding, Enablement not restrictions!, Listening to the Pacific, Onion export returns mask profitability, Kiwifruit growers to vote on expanding SunGold variety year round, Avocado growers smashed in past year, Apple revenue dips at T&G, Te Mata merges Australasian operations, Labour snags hit quality, Heart-breaking season as fruit left to rot, Northland kiwifruit company wrong to dismiss worker after 90-day period, Shipping jam bites exports, Links to horticultural Country Calendar programmes screened in 2022, Arable Awards of NZ: Title winner says event a morale boost for the industry, Horticulture New Zealand gives out two Environmental Awards for 2022, Lineage Logistics acquires Cold Storage Nelson, Rebuild for NZ's biosecurity service, Eye out for stink bugs
3. **International news:** BayWa invests in irrigation start-up, China Fresh Fruit Prices Up Nearly 20% as Producers Affected by Rising Costs

**Comment**

Very few articles in the international space this week ( reporting should return to normal next week with the restarting of Freshplaza after their 2 week summer holiday break). However there is news that the average price of a basket of six fresh fruit items monitored by China’s Ministry of Agriculture and Rural Affairs reached an average price of $1.65 NZ . This gives a comparison with the price our New Zealand fruit which must be substantially higher both domestically and in China.

In the New Zealand section there is plenty of news but it does not contain as much positive news as is generally found in this section. Along with the persistent concerns with labour, ship availability and decreased returns this year there are three opinion pieces from Hort NZ representatives that between them identify a number of challenges in dealing with Government and increased regulation. We need some fine weather and a change is some of these settings to improve growers and exporters confidence in the future.

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

The following ICPR have been updated over the last week:

For Great Britain - removed two nematodes from Olea spp , updated declarations for Nursery stock and made three changes to quarantine pests .

For Israel updated the link to Israel’s Treatment Manual under section 2.9 ‘Treatments' and added a note for Pisum seed (Pea)

* 1. **Investing in a new primary industry export certification system**

In May this year, [the Government announced](https://www.scoop.co.nz/stories/PA2205/S00237/new-trade-certification-system-to-be-established.htm) a $20.3 million investment to replace five primary industry trade certification systems with a single solution. Replacing these systems is crucial to the future success of our primary industries and Aotearoa New Zealand’s export economy.

Your feedback last year has shaped our procurement for the new system build Through a series of workshops in 2021, you told us what is important to you as exporters for the new system. We have used your feedback to help shape the procurement process for a supplier to build the new system. We are aiming to confirm the supplier by the end of this year.

An opportunity to be involved MPI is hosting a series of Industry Hui in September to discuss the journey ahead. We want to understand what we can do to help ensure a smooth transition experience for every business who relies on export certification.

Ensuring your business can continue to operate while the new system is developed is of utmost importance to us. We know how important export and import certification is for New Zealand’s primary industries. The system build will start in early 2023 and our aim is for the new system to be up and running by 2025.

Pencil in the hui dates to your calendar You will receive an invitation shortly to attend one of these hui:

* *Industry Hui 1:* Wednesday 31 August - 3 to 5pm
* *Industry Hui 2:* Wednesday 7 September - 3 to 5pm
* *Māori Industry Wānanga: Thursday 8 September - 3 to 5pm*
* *Industry Hui 3:* Wednesday 14 September - 3 to 5pm

These will be run virtually and will be co-facilitated by the team from Business Lab, and Hinerangi Edwards of AATEA Solutions. If you have any questions, comments, or concerns, please contact our team at [FutureCertification@mpi.govt.nz](mailto:FutureCertification@mpi.govt.nz).

* 1. **US Webinar for all US FDA registered foreign food facilities**

MPI circulated an email last week about the following FDA webinar ( see the email below)which was forwarded to all currently US FDA registered foreign food facilities for both human and animal food. This should mean that those who are FDA registered will have received this notification directly. However FDA has suggested the webinar will be of interest to any food / animal food business that is involved in a supply chain that ends in the USA, as the webinar will cover exemptions to registration.

FDA has confirmed the webinar will be recorded and placed on the Internet so it can referenced in the future at any time. The time of the webinar is 5AM NZ time, which either means people are asleep or hard at work, so not a very convenient time for almost anyone. Businesses should register none-the-less for the webinar to ensure they can easily find the link to the recording.

MPI is aware of at least one business that has had some difficulty with their DUNS number and obtaining UFIs for their various operations, FDA advised that this webinar should help with overcoming these difficulties.

*ATTN Food Facilities! Sign Up Today for a Webinar on How to Register or Renew with the FDA!*

*The U.S. Food and Drug Administration (FDA) will present a* [*webinar for stakeholders*](https://www.fda.gov/food/workshops-meetings-webinars-food-and-dietary-supplements/webinar-food-facility-registration-ffr-biennial-renewal-and-unique-facility-identifiers-ufi-08112022) *on* ***August 11, 2022, at 1pm EST****, to discuss Food Facility Registration, Biennial Renewal (FFR), and obtaining an acceptable Unique Facility Identifier (UFI). U.S. and foreign human and animal food facilities that are required to register with the FDA must renew their registration this year between October 1 and December 31, 2022.*

*Agenda:*

1. *Who needs to register or renew*
2. *How to obtain a UFI*
3. *How and where to register*
4. *The benefits of registering*
5. *Questions and Answers*

*Register by August 10 at* [*Webinar on Food Facility Registration (FFR), Biennial Renewal, and Unique Facility Identifiers (UFI) - 08/11/2022*](https://www.fda.gov/food/workshops-meetings-webinars-food-and-dietary-supplements/webinar-food-facility-registration-ffr-biennial-renewal-and-unique-facility-identifiers-ufi-08112022)

** MFAT**

* 1. [**MFAT’s Global Trade and Economic Update for NZ Businesses – 5 August 2022**](https://www.mfat.govt.nz/en/trade/mfat-market-reports/market-reports-global/weekly-global-economic-round-up-5-august-2022/)

Amongst other entries included in this week’s edition is news of :the next round of **ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) Upgrade negotiations** and an associated senior economic officials meetings which started in Siem Reap last week , providing an opportunity for New Zealand to support ASEAN-led economic initiatives and efforts towards regional economic integration. Following the last round of AANZFTA upgrade negotiations in Jakarta, Indonesia, negotiators are accelerating efforts towards substantial conclusion of negotiations by September 2022.

* 1. **[Singapore moves to secure access to essential goods and services](https://www.mfat.govt.nz/en/trade/mfat-market-reports/market-reports-asia/formal-message-singapore-building-access-to-essential-goods-and-services/?utm_source=MFAT&utm_campaign=1a843b50b1-EMAIL_CAMPAIGN_2022_08_02_08_28&utm_medium=email&utm_term=0_1e0c1c37bb-1a843b50b1-578465829)**

Increased economic volatility since the emergence of COVID-19 has given renewed impetus to **Singapore’s long-standing strategy of building supply chain resilience for essential goods and services –** particularly water, food, energy and medical supplies. This report looks at what this means.   
  
This strategy involves a combination of **diversifying supply sources, looking for regional solutions, developing domestic production capability** and **changing consumer mind-sets**. **New Zealand is seen as a reliable partner,** a producer of safe, high-quality food and a country with which Singapore likes to do business. 



1. **New Zealand News**



* 1. **[Damien O Connors Speech to the China Business Summit](https://www.beehive.govt.nz/speech/speech-china-business-summit-0)**

This year marks ten years since the first of these important summits were held. The Government’s Trade Recovery Strategy, launched in 2020, has been updated in 2022 to best support businesses as they reconnect with partners, customers, and markets overseas. This has been a key driver of the trade delegations the Prime Minister has led to Singapore, Japan, the United States and Australia so far this year, as well as, of course, her recent travel to the European Union and United Kingdom.

The strategy has a number of aims. It supports a recovery that promotes sustainable and inclusive trade, and lifts exporters’ capability and performance in markets. It aims to strengthen international and regional trade architecture. And we want to build resilience against future shocks. The Trade Recovery Strategy builds on our Trade for All policy, which we continue to implement despite the challenges that have been posed in recent years. We have supported NZTE through a funding boost from the Covid Recovery and Relief Fund. The boost has seen them expand from 700 to almost 1,400 Focus Companies, and roll-out digital resources and other services to companies of all sizes.

Reflecting our ever-changing global trade environment, and determination to promote sustainable and inclusive trade, we also introduced new chapters to our FTA. One is the Trade and Environment chapter, which demonstrates our commitment to cooperate on sustainable development. Another is the chapter on e-commerce – a platform which has only continued to grow in relevance in the years since 2008, when the FTA was originally signed.

Example of initiaves under the updasted FTA include Our Dairy Dialogue with China, brings together government and industry representatives every two years to discuss opportunities and challenges for both countries’ dairy sectors. It continues to be an important forum in which to exchange views and stay connected, including during the pandemic.

These discussions also provide us with the opportunity to discuss shared challenges for our primary sectors and explore ways that we can work together using our respective expertise to solve them.

Some recent examples include improving each country’s understanding of changing regulatory environments, knowledge-sharing to progress our respective climate change obligations, as well as discussing ways to improve biosecurity management practices.

We’ve also developed exchanges at the technical level.

China and New Zealand are both parties to the Regional Comprehensive Economic Partnership – RCEP – which entered into force on 1 January this year. This mega-regional trade agreement deepens our trade and economic connections in the Indo-Pacific region. RCEP forms an important part of our Trade Recovery Strategy’s efforts to contribute to building and strengthening regional trade architecture. *He talks about Chinas support and constructive engagement in ASEAN last year which NZ lead. New Zealand’s regular engagement in the annual China International Import Expo (CIIE).*

*Beyond China the Minister refers to our recently agreed FTA’s with the UK and EU* and the recent developments of the Indo-Pacific Economic Framework as an opportunity to strengthen economic cooperation and partnerships across our wider home region, including with the United States.

New Zealand also continues to pursue a policy of “open plurilateral trade agreements” *including the Agreement on Climate Change, Trade and Sustainability , the Digital Economy Partnership Agreement (DEPA), and h the Indigenous Trade Action Group .*

China has requested accession to both the DEPA as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and we welcome China’s interest. China’s accession requests for DEPA and CPTPP are now with the respective members to work through collectively.

The Minister also reflects on the importance of rules based trade and comments that the *Government is focusing on re-connecting New Zealand to the world, including China.*

I would like to conclude by recognising China’s importance as a partner for New Zealand over the last 50 years. I do not doubt that it will be an important partner for the next 50 years as well.

You know as well as I do the challenges businesses face in the current environment.

Our Government is committed to supporting business through these turbulent times. And we will continue to invest in our trade and economic relationship with China, in the hope and expectation that it is one which continues to bring benefit to the people of both countries for a long time to come.

* 1. **[Foreign Minister reconnecting with ASEAN and Malaysia](https://www.beehive.govt.nz/release/reconnecting-asean-and-malaysia)**

Foreign Minister Nanaia Mahuta is currently in the Indo-Pacific region for talks on security and economic issues at meetings of ASEAN and the East Asia Summit in Cambodia, and during bilateral engagements in Malaysia. She will then travel onto Kuala Lumpur for a bilateral visit marking 65 years of diplomatic relations. The objective is to support reconnection with Malaysia and promote the trade recovery agenda, in particular reinvigorating tourism and education links.

** Commentary**

* 1. [**Nadine notes there is little Govt understanding of hort**](https://www.ruralnewsgroup.co.nz/hort-news/hort-opinion/little-govt-understanding-of-hort)

One frustration voiced more than others was how little the Government understands our industry.

*Nadine talks about the difficulty of arranging meetings with Ministers to discuss concerns of critical importance to Industry*. As an industry, we always offer immersion experiences for officials to grow and build on their knowledge base. We are a complex and variable sector with 20 product groups. We are definitely not all the same.

.

The Ministry for Primary Industries (MPI) is standing up a new farm advisory service but is yet to clarify what that group will look like and how it will deliver. At the same time, another part of the Government has provided our sector with funding to stand up an advisory service too. Groups such as Dairy NZ and Beef + Lamb also offer advisory services.

i

To make this a positive rather than negative addition, it will be important that industry and MPI work collaboratively to plan for and manage these advisory services. *The article concludes by talking about the Authorities unrealistic expectation that replacing labour with technology id the solution to many of our problems.*

* 1. [**Major 'GAP' in understanding**](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/major-gap-in-understanding)

Horticulture NZ chair Barry O'Neil - a former high-ranking government bureaucrat - that the sector is facing layer-upon-layer of officials and bureaucrats and they don't seem to be talking the same language as the industry.

He says the hort sector already has good systems in place to give assurance over environmental outcomes with NZGAP. This stands for good agricultural practices and was established in 1998 to provide assurance about the safe and sustainable production of fruit and vegetables in New Zealand. NZGAP certification provides growers with a credible assurance framework, which enables them to meet multiple supermarket and regulatory obligations.

However, O'Neil says instead of recognising this reputable system, officials are forcing a new issuing process into the system with additional compliance costs and fees. He says the bureaucracy seems to have got progressively worse over the years, since he worked in government.

O'Neil believes that "risk adversity" has got to a level where no one is prepared to make decisions because they are scared, they will get their "head chopped off". "We seem to be making decisions on outcomes by process rather true leadership," he adds. "We are using a process to achieve a result when we don't even know whether that will be the best for the country and people of NZ."

O'Neil says the raft of compliance issues growers have to deal with is increasing and makes it challenging and difficult for the sector. "It's reached the stage where our growers seem to spend as much time meeting compliance requirements, filling out forms and getting permission as they do actually growing," he says. "We seem to have got the ratio a bit wrong."

Barry O'Neil believes another concern for commercial growers is the need to protect highly-productive land from being gobbled up for urban development. The sector is advocating for NZ to have a domestic food security policy and for the Government to implement policies that support ongoing vegetable production in NZ. "It would be a travesty if our fresh vegetables were imported from offshore and our consumers had to rely more on frozen rather than fresh," O'Neil told Rural News. "We have got to be very careful without policy settings otherwise we could drive domestic vegetable production out of business."

* 1. [**Enablement not restrictions!**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/enablement-not-restrictions)

HortNZ chair Barry O'Neil believes present policy is all about restricting and limiting the sector rather than enabling it. "I want to give growers certainty and confidence that there is a future for the industry."

O'Neil says the last 2 years have been a nightmare with labour shortages, rising input costs and huge shipping disruptions. He says there's also been a problem getting government policy issues presented in a way that those in the sector can see that they have got a future. O'Neil claims that in the present environment, policy is all about restricting and limiting rather than being enabling. “I would certainly hope that over the course of the next 12 months we can progress those sort of discussions with the Government," he told *Hort News*. "After all, consumers overseas still want healthy natural products and the demand for our products is still fantastic."

O'Neil says the past season has been a mixed one right across the hort sector and even mixed within various crops. He says some sectors like his own kiwifruit have managed to survive and get their full crops picked, packed and exported. *Even so he talks about the frustrations and the fall in quality that has resulted and notes that other Sectors have been hit very hard by a combination of factors.*

* 1. [**Listening to the Pacific**](https://www.hortnz.co.nz/news-events-and-media/nadines-update/listening-to-the-pacific/)

More than 400 delegates attended the Recognised Seasonal Employer (RSE) conference in Wellington last week, celebrating 15 years of the RSE scheme. The theme, Voices of the Pacific, recognised the valuable partnership between New Zealand’s horticulture and viticulture industries, the Pacific and the New Zealand Government, and the commitment to work together as one.

Equally, it was an opportunity to consider how we, collectively, can future proof the scheme to ensure everyone benefits positively from the scheme. Delegates heard from representatives of Pacific nations on how the RSE scheme is of critical importance to their economies, as well as for evolving their own workforces and talent pools. RSE workers provide the means to support their families and communities. They also gain transferrable skills that can be used to establish their own businesses when they return home.

Growers expressed their gratitude to the Pacific RSE workers who have been welcomed into New Zealand over the past year. The sentiment across the conference was clear: the RSE scheme is a mutually beneficial and collaborative partnership. However, continued success of the scheme will require further commitment and investment. How do we continue to finetune the RSE scheme as a world-class labour mobility model that brings certainty to horticulture’s labour needs?

During the conference, the Ministry of Business, Innovation and Employment (MBIE) announced that it will be reviewing the scheme, to ensure the policy that underpins it continues to deliver a win-win model for all. Let’s leverage the scheme’s advantages and work together to put it on a firm footing for the next 15 years and beyond.



* 1. [**Onion export returns mask profitability**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/export-returns-mask-profitability)

Onion export returns may look good for NZ, but the actual earnings for growers is far from great.

Onions New Zealand chief executive James Kuperus says it's been an incredibly difficult year for the sector. He says there's going to be a drop in revenue for growers due to increases in inputs including fertiliser, chemicals and labour. He says, on top of this, there have been massive shipping problems.

"All these factors have combined to reduce profitability right across the primary sector," Kuperus told Hort News. He adds that there have been compounding issues with getting product out of the South Island to market, due to a lack of ships and containers down there. Kuperus says the weather has caused problems with a drought in Pukekohe, one of the main onion growing areas in the country, which reduced yields; the same happened in Hawke's Bay.

However, Kuperus says it was the heavy rain that caused problems in the Manawatū and Horowhenua regions.". The result is that overall onion production is down by about 20%, which is very high.

Just on 80% of the onions grown in NZ are exported, with the main market being continental Europe - with Indonesia, Japan and Malaysia also taking some product. Kuperus says, in the past season, getting product to Europe was very difficult due to the shipping disruptions. "Historically it would take about six weeks to get product to Europe, but in the past year it could have taken up to ten weeks," he says.

"With Europe it's a counter essential supply so we have a very limited window to get product in, so the net result was we were slightly back on sales to Europe but fairly consistent for the rest of the markets."

On the domestic market, he says it was pretty much business as usual and although there were some price fluctuations, the returns to growers were about normal.

Looking to next season*, Plant has started and* Kuperus says with rising fertiliser prices, growers will have to optimise its use, but adds if they cut back too much, they run the risk of reduced yields and quality.

Kuperus says the future prospects are looking quite good with tariffs coming off in the UK and the slightly longer prospects of tariffs coming off in the EU as a result of the recent FTA. He told Hort News that in the last three years NZ has exported on averaged $75m worth of onions a year to the EU. Kuperus says the tariffs on these exports range from between $6.5m to $7m a year. "For our industry that is quite a substantial saving." Kuperus says it's likely to be 2024 before the EU FTA officially takes effect. He says the onion sector is very grateful for the excellent work done by the NZ trade negotiators.

* 1. **[Kiwifruit growers to vote on expanding SunGold variety year round](https://www.rnz.co.nz/news/country/471821/kiwifruit-growers-to-vote-on-expanding-sungold-variety-year-round)**

Kiwifruit growers can now vote on whether they think Zespri should increase plantings of SunGold variety in existing production locations overseas. The kiwifruit marketer wants to increase plantings in Italy, France, Greece, Korea and Japan by up to 10,000 hectares to ensure it has SunGold to sell all year round. Voting on the proposal opened on 28 July and growers have until 24 August to cast their vote; the idea needs 75 percent of growers support to pass. By 2031, the current approved hectares would meet less than 30 percent of the demand in the New Zealand off-season. The proposed expansion of up to 10,000 additional hectares of Zespri SunGold Kiwifruit would allow Zespri to meet up to 90 percent of that demand - achieving 12-month supply in key markets.

Zespri did a road show in March to chat to growers about the proposal. "We got really good feedback about the pros and cons and some risks: one of the growers big concerns was that we always kept demand ahead of supply which is one of our principals at Zespri." "The way the proposal is designed is that if it comes to a point where there is too much planted, we can stop there and pull back."

He said if it did not get across the line, it would be business as usual.

"If it doesn't get across the line with the growth in New Zealand fruit and increasing customer and sales rates, we will never be able to achieve 12 month supply and the real danger of that, is it will let competitor kiwifruit come on the shelves and fill that space that we're leaving."

NZKGI which represents growers said reaction to the idea has been mixed. Chief executive Colin Bond said some growers are excited about the prospect of securing 12-month supply while others are worried about risks. He said NZKGI is focused on ensuring growers are well-informed to cast a vote. "We've reached out to a number of experts on 12 months’ supply to understand their perspective and the feedback was consistent. And that was with 12 months’ supply you get to your product is in front of consumers all year round, and you've got shelf space all year round. "I'm hoping growers are informed and get out and vote, that's the important thing."

* 1. **[Avocado growers smashed in past year](https://www.ruralnewsgroup.co.nz/hort-news/hort-agribusiness/avocado-growers-smashed-in-past-year)**

NZ Avocado chief executive Jen Scoular says there are positive signs for the future of the NZ avocado industry. A very tough year for avocado growers and the wider industry has emphasised the need to be agile. “Shipping was absolutely tough and expensive and that just meant nothing went to plan. There was a need to be very agile in getting our fruits to our export markets.”

However, Scoular says it was acknowledged the previous four years were outstanding from a value perspective. “Our expectations go up because we were the only imported product into Australia which is a very high returning market. “And now Australia doesn’t return quite as much as they have opened up to Chile and are likely to open up to other markets; we are not the only importer into Australia anymore.”

Scoular says longstanding growers have been through years in the last 10 where they didn’t have a crop or they had a very poor crop. “They recognise that this is one of the risks of horticulture and they make sure in those very good returning years they put some away to cover the years like the year we have just had. “Those who have been in the industry five years or less haven’t been through that volatility of returns or volumes so definitely some are feeling the brunt of a very poor returning year.”

But there are positive signs for the future.

After previous reliance on the Australian market, the export market was about 50/50 Australia and Asia by the end of November last year, she says. “One of the positive outcomes of last year was that we put three times as much volume into Asia as we did the previous year and that has been a strategic objective for the industry,” Scoular adds. “In comparison to Australia, who also had the same problem as our growers did with a very poor value market, they don’t have nearly as much access in Asian markets – so their fruit didn’t have any other home to go to.

”She says the Australian market itself is now definitely looking stronger for NZ. “There is less volume in the Australian market domestically and our exporters made some good new customers in Asia last year which they will continue to service in the coming year,” Scoular adds. “And, of course, we can get there. Three of our exporters have just come back from Asian visits meeting their customers again. It was hard developing those new relationships by Zoom last year. That face-to-face is important in terms of engaging with customers.”

NZ Avocados recently had over 200 growers at four field days up in Houhora, Whangarei, Te Puke and Katikati and they were positive, says Scoular. “They know they are in horticulture; they recognise there were some positives last year though returns were poor, they know there is some balancing that will have to happen in terms of expectation. But they know they are growing an amazing fruit that is meeting the needs of global consumers wanting to eat avocados from New Zealand.”

The industry is reassessing all the time. “We are always looking at the areas we need to focus on. There’s new policy coming out from government on compliance so we are trying to understand the best way for that compliance to be adopted by our growers without being a handbrake on the operation. There’s lot of work going on there. “We are still working on sustainability because we know customers and consumers want to know about New Zealand’s sustainability credentials.

Overall, Scoular says NZ Avocados and the industry recognises the need to be agile and cope with changes. “We need to recognise the number of players across our industry. We’ve got very large orchards and very small orchards and everything in between. Part of understanding the best way forward is to say, ‘are we able to continue to add value to all those sectors or do we need to look at different ways of providing that service?’. “Absolutely we need to do things in different ways if that will add value to growers.”

A key focus for NZ Avocados on orchard has been on working on irregular bearing and ensuring a consistent crop each year .Avocados tend to be a biennial crop, alternating between a low cropping and a high cropping season. The development of best practice has helped even out the swings considerably.

* 1. **[Apple revenue dips at T&G](https://www.fruitnet.com/asiafruit/apple-revenue-dips-at-tandg/246888.article)**

T&G Global has reported on a “challenging” start to 2022, with revenue dipping in its core apples business. According to interim results released by the New Zealand-headquartered company, total revenue for the six months to 30 June (H1 2022) came in at NZ$645.5m (US$406m), down from NZ$652.1m the year prior. Operating profit increased 37.6 per cent year-on-year to NZ$15m, while profit before income tax increased 52.9 per cent to NZ$7.8m. T&G’s apples business reported a revenue of NZ$401m in H1 2022, compared to NZ$421m in 2021.

*The article explains the moves the company are making for the long term growth of the company. And concludes by saying-* “Over the last six months the team has put in a tremendous amount of effort to tackle the curveballs as they’ve arisen, while at the same time keeping each other safe and putting in place the foundations to deliver our long-term strategy,”. “Our strategy, together with our strong financial discipline, provides a clear pathway to deliver significant future growth and improved financial performance, and this will create a strong and sustainable business for the next generation.”

* 1. [**Te Mata merges Australasian operations**](https://www.fruitnet.com/asiafruit/te-mata-merges-australasian-operations/246850.article)

New Zealand-based exporter Te Mata Exports 2012 has announced plans to merge with Ta Mata Exports Australia. Sarah McCormack will be CEO of the merged business In a media release, Te Mata Exports said the two companies had worked closely together since Ta Mata Exports Australia was established in 2019 and would now unite to form an integrated Australasian produce export company.

The statement described the agreement as one of the “most significant mergers for the sector, establishing Te Mata Exports as a genuine tier-one produce export business”. The amalgamated company will serve more than 180 growers, sending fresh produce to over 48 countries across the world. “Bringing the businesses together will provide our growers with access to a larger number of international markets and combining the strengths of our respective businesses, and the talents of our people, will enhance our category range and service offering to benefit all international customers.

Wells said the companies were working to finalise the details of the merger by the end of this year, during which time it would remain business as usual for both teams

Sarah McCormack, the current head of Te Mata Exports Australia, has been named CEO of the combined business. McCormack brings 25 years of industry expertise to the CEO role and will draw on her significant export experience, according to the company.

Based in the Hawke’s Bay, New Zealand, Te Mata Exports ships apples, cherries, citrus, grapes and vegetables out of New Zealand and Australia. The company supplies a wide range of markets across Europe, North America, the Middle East, India and Asia. Grower-owned cooperative Market Gardeners (which trades as MG) owns a 74 per cent stake in the business, with the balance of Te Mata’s shares held within the management team.

* 1. **[Labour snags hit quality](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/labour-snags-hit-quality?ct=t(RNG_2_AUGUST_2022_COPY_01))**

Labour shortages on orchards are beginning to impact the quality of New Zealand products in global markets. Speaking at the recent NZ Primary Industries Conference in Auckland, Zespri chief executive Daniel Mathieson says the lack of people across the supply chain has seen quality standards slip.

"This is a real serious issue," he told a panel discussion on labour challenges facing the farming sector. "As agribusiness producers. we make our money by being the best in the world, with the best quality in the world," Mathieson says. "I think over the last two years, with the lack of people across the supply chain, we have seen our quality standards start to slip." Mathieson believes this is starting to erode customer goodwill and value we can get in the marketplace.

The conference heard from Hort NZ that this season there would be a shortfall of 6,000 workers under the Recognised Seasonal Employer (RSE) scheme. While labour shortages remain a major challenge on farms, Mathieson believes it provides the agribusiness sector opportunities in two areas: helping temporary workers transition into full-time jobs; and getting the balance right between NZ workers and those coming into the country to work under RSE and other schemes.

He says the days of temporary workers are gone. "It's probably not going to return, and we must face up to reality and start restructuring our businesses to take in more people on a permanent basis." He says that's the "big discussion" Zespri is having with Kiwifruit growers.

Mathieson says farmers and growers must first focus on NZ workers. However, he points out that they won't be enough. "We have enormous growth ahead of us in all our businesses," he says. "NZ is a great country to supply the world but will need people to need to do that. We need to get a balance, between demonstrating a good healthy growth for the NZ workforce sector while getting a good balance of people coming into the country. "We haven't got the balance right and the time has come now to reset and get that balance right."

* 1. [**Heart-breaking season as fruit left to rot**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/heartbreaking-season-as-fruit-left-to-rot)

Growers have described the fruit left unpicked due to lack of labour as heart-breaking. Low worker numbers have seen harvesting down 15% with unpicked fruit *( apples)*rotting on the trees or on the ground. Hawke's Bay Fruitgrowers Association Graeme Hodges says it's the worst season he's seen in years. "The labour shortage has certainly been exacerbated by the prevalence of Covid amongst the teams." Hodges says labour shortages have affected all areas from pickers through to truck drivers.

Hodges says the solution to the problem was employing more staff but a lack of housing means that isn't possible. "We can jump up and down and tell everyone to come to Hawke's Bay, Nelson or Central Otago with our main apple-growing regions, but if the places aren't there to accommodate them, what do we do?"

* 1. [**Northland kiwifruit company wrong to dismiss worker after 90-day period**](https://www.nzherald.co.nz/the-country/news/northland-kiwifruit-company-wrong-to-dismiss-worker-after-90-day-period/3JJHO5TOYIKAPQY2TCXQQAGFNY/)

A Northland kiwifruit company has failed in a bid to overturn an Employment Relations Authority ruling the company was wrong to terminate a trainee orchard manager after a 90-day trial period.

ERA late last year ordered Farrand Orchards in Kerikeri to pay Michael Tane $15,000 for humiliation, loss of dignity and injury to feelings and a further $18,480 being three months' lost remuneration.

The company was also ordered to pay him $1478 in holiday pay as part of his claim for unjustifiable dismissal.

The only aspect of the ERA decision Farrand Orchards unsuccessfully challenged in the Employment Court was ERA's conclusion the 90-day trial provision was invalid. Company director Kerry Farrand said he had now taken the matter to the Court of Appeal and is awaiting the judgment.

*The article provides a description of the events that lead to this decision*. *The key learning is that* ERA found the company's failure to ensure the written employment agreement containing the 90-day trial period was executed *(signed*) prior to Tane's employment commencing was fatal to its reliance on that term. Employment Court judge Bruce Corkill agreed.

* 1. [**Shipping jam bites exports**](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/shipping-jam-bites-exports?ct=t(RNG_2_AUGUST_2022_COPY_01))

Global shipping disruption is continuing, with two out of every three ships caught in a 'traffic jam'. Kotahi chief executive David Ross says the shipping sector remains says some NZ trade lanes had lost 30% of capacity due to ships being caught in this traffic jam.

One of the key measures of global shipping is schedule integrity - how many container ships are arriving and departing on time against their published schedule. Normally, shipping schedule integrity is around 80%, meaning four out of every five ships call in at the right time. However, disruptions over the past three years have seen it drop below 30%, says Ross. Ships have a rotation, going around in a loop of 40- 49 day cycles, but if they are caught up in this traffic jam they don't do as many cycles in a year. This impacts delivery of containers back into NZ and feeding services to mainline vessels from place like Nelson where a lot of small horticulture exporters are based.

* 1. **Links to horticultural Country Calendar programmes screened in 2022**

[Season 2022, Episode 21](https://www.tvnz.co.nz/shows/country-calendar/episodes/s2022-e21)  Looks as a family growing pineapples commercially in Northland - everyone told them they'd fail, but they're selling everything they can grow.

[Season 2022, Episode 16](https://www.tvnz.co.nz/shows/country-calendar/episodes/s2022-e16)  Nelson family expands their kiwifruit and apple orchard into a thriving business, employing the entire family and meeting staffing challenges by innovating.

[Season 2022, Episode 14](https://www.tvnz.co.nz/shows/country-calendar/episodes/s2022-e14)  One cousin grows crops such as sunflowers and canary seed, while the other runs a factory that turns the grain into birdseed products.

[Season 2022, Episode 11](https://www.tvnz.co.nz/shows/country-calendar/episodes/s2022-e11)  A sheep and crop-farming family branches out into new ventures, including tulips and hemp.

S[eason 2022, Episode 4](https://www.tvnz.co.nz/shows/country-calendar/episodes/s2022-e4)  A Horowhenua market gardening family creates year-round work for their team by adding hydroponic berryfruit and dairying to their asparagus operation.

* 1. [**Arable Awards of NZ: Title winner says event a morale boost for the industry**](https://www.nzherald.co.nz/the-country/news/arable-awards-of-nz-title-winner-says-event-a-morale-boost-for-the-industry/S6NVHUT3X356IFN7OGENLM7NXM/)

The freshly-crowned Arable Farmer of the Year says winning the award was a surprise, but also a confidence booster. David Birkett, who farms at Leeston, Canterbury, took out the title. The judges said Birkett was a recognised leader in sustainable farming practices, who focused on boosting soil quality and was always happy to share what he knew with other farmers. Birkett said on-farm costs and weather events had made it tough going for growers, but the awards were a morale booster. "

Other winners on the night included Southland's Auld Farm Distillery, which took out the Innovation title for a single malt whisky made from purple wheat, black oats and black barley.

The immediate past national vice-president of Federated Farmers Karen Williams, and her husband Mick, won the Environment and Sustainability Award.

Angela Clifford, an advocate for the arable industry who promotes food grown and produced in New Zealand, was named the 2022 Food Champion.

* 1. [**Horticulture New Zealand gives out two Environmental Awards for 2022**](https://www.nzherald.co.nz/the-country/news/horticulture-new-zealand-gives-out-two-environmental-awards-for-2022/Q5WUOP5VAQT2RUP54KVAOKANXU/)

Nominations received in this year's Horticulture New Zealand (HortNZ) Environmental Award were of such high calibre, two organisations have been recognised. Oakley's Premium Fresh Vegetables from Canterbury and the Auckland branch of MG - Market Gardeners Ltd. both received an Environmental Award.

Oakley's Premium Fresh Vegetables grows potatoes, beetroot, broccoli, pumpkin and arable crops, including grass seed, wheat, peas and maize on more than 450 hectares. Produce is also washed, graded and packed on site. The family business was dedicated to "continuous improvement," Oakley said. In recent years, Oakley took steps to reduce, monitor and manage greenhouse gas emissions, nitrogen leaching and improve soil quality, through initiatives such as the Sustainable Vegetables System Programme. In April, he installed solar panels at the business' Southbridge post-harvest site, which will account for around 40 per cent of the site's annual energy demands.

## MG - Market Gardeners Ltd. - Auckland Branch MG won the award in recognition of its commitment to environmental sustainability. "Thanks to MG's focus and investment, the cooperative has made a measurable long-term difference, delivering a 57 per cent reduction in carbon emissions by converting to natural refrigerants, installing solar and diverting food waste away from landfill at its flagship branch in Auckland."

** Bits and pieces**

* 1. **[Lineage Logistics acquires Cold Storage Nelson](https://www.fruitnet.com/eurofruit/lineage-logistics-announces-two-acquisitions/246876.article)**

International cold chain solutions provider Lineage Logistics has announced the acquisition of Cold Storage Nelson (CNS) in New Zealand and its intention to acquire Grupo Fuentes. These are the latest of a growing number of acquisitions announced by the US-based international cold chain solutions provider in recent years as it works to strengthen its footprint in Europe and the Asia Pacific region.

Cold Storage Nelson is one of New Zealand’s leading cold storage services, catering to producers of marine, agricultural, horticultural and manufactured food products, predominantly for export markets.

Jeff Rivera, Lineage’s global chief operations officer, said expanding Lineage’s footprint in Asia-Pacific through New Zealand, as a major primary produce exporting nation, has been a long-term strategic goal for the company.

 **Biosecurity**

* 1. [**Rebuild for NZ's biosecurity service**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/rebuild-for-nz-s-biosecurity-service)

Biosecurity NZ says it is ramping up its capability with the return of tourists to protect the country's all important primary sector. Biosecurity NZ has been hit with staff shortages following the border closures.

But with the passenger pathway picking up more quickly than expected, it has a plan to urgently get its capability up to strength. *It has also made a number of changes that it considers will help to reduce risk*

It will accredit cruise lines and they have to do a whole lot of things to prevent biosecurity risk. That means we don’t have to check every passenger at every gangway. We have tightened up on the biosecurity in cruise lines so the standard of accreditation is higher than previous times. We have taken the opportunity to review and make sure we nullify that risk. We are getting cooperation with the cruise lines.”

During the Covid closure period, Biosecurity NZ looked at the cargo pathway in depth and have made a few changes .Most are around transitional facilities with increased requirements on third parties to demonstrate biosecurity compliance. “We have found a number of issues where containers are going to places to be devanned or emptied that weren’t the places that we required them to go to. So, we have had quite a focus on the transport operation and the transport of containers.”

“There are a lot more brown marmorated stink bug (BMSB) risk goods that would normally come through sea cargo coming through air cargo so we have had to rebuild and reskill our staff in around inspection in air cargo. With BMSB, during the Covid border closure period Biosecurity NZ completely revised its used car programme from Japan, improving compliance to a much higher level.

“We now consider that a low-risk pathway. We worked well with the motor industry – they have been really good. That has traditionally been our higher risk of BMSB – those car ships.”

* 1. [**Eye out for stink bugs**](https://www.ruralnewsgroup.co.nz/hort-news/hort-general-news/eye-out-for-stink-bugs)

The brown marmorated stink bug (BMSB) poses a major threat to NZ's horticulture industry. A winter campaign is underway to help raise awareness of the brown marmorated stink bug (BMSB). There is always the chance the unwanted pest could arrive in parcels and with other imported items. MPI very much want the public to help us with our surveillance efforts."

Biosecurity NZ's BMSB winter campaign focuses on showing people how to correctly identify the pest and report it. While it looks like some other bug species, BMSB has elements that make it identifiable - including white stripes or banding on its antennae and abdomen. The bug is about the same size as a 10 cent coin. The winter campaign follows the spring-summer campaign of 2021/22 which saw stink bug ads appear on people's phone and computer screens. Biosecurity New Zealand is asking anyone who thinks they've found BMSB to catch it, snap it (take a photo), and report it.

Biosecurity NZ says there is currently no evidence of any established BMSB population in New Zealand. There were 61 live bugs intercepted in New Zealand during the 2021/22 season - mostly associated with imported cargo. Duthie says the number of live interceptions has dropped considerably over the last three years. "This is largely due to the introduction of import rules that makes it harder for BMSB to enter New Zealand on risky cargo such as vehicles, machinery and parts from countries with established stink bug populations. Such cargo must be treated before arriving in New Zealand during the BMSB season."

Biosecurity New Zealand further tightened border controls recently - including introducing targeted alerts on additional goods associated with BSMB detections. Consignments covered by the alerts underwent full inspection to rule out the presence of live bugs. "The fact we have no established BSMB populations suggests that the current biosecurity approach is working well," "However, the risk of an incursion is never zero, which is why we all must play our part in keeping an eye out."



1. **International news**

 **Business/ Industry**

* 1. [**BayWa invests in irrigation start-up**](https://www.fruitnet.com/eurofruit/baywa-invests-in-irrigation-start-up/246863.article)

BayWa has announced that it has invested in Spanish start-up Spherag through its investment arm, BayWa Venture, alongside co-investors Bonsai Partners and Ship2B Ventures. Spherag has developed an internet of things (IoT) solution to digitalise and automate existing irrigation systems, reducing water and energy consumption in agriculture by one-third. According to BayWa, the new investment will be used to expand distribution operations and develop additional use cases for the current solution in the area of precision irrigation. The Spherag solution consists of solar-powered modules that can be fitted to the control units of existing irrigation systems. The network of modules creates a digital twin of the system, which monitors irrigation in real time and can be controlled directly.

In future, farmers will be able to manage irrigation remotely using their smartphones instead of opening and closing each of the valves by hand, Spherag predicted. Other data sources such as weather stations and soil moisture sensors can also be integrated into the Spherag system, while other functions include measuring water consumption.

“

* 1. [**China Fresh Fruit Prices Up Nearly 20% as Producers Affected by Rising Costs**](https://www.producereport.com/article/china-fresh-fruit-prices-nearly-20-producers-affected-rising-costs)

A confluence of factors including rising input costs and China’s strict COVID-19 control measures are driving [inflation in fresh fruit prices in China](https://www.producereport.com/article/domestic-fruit-prices-rising-apples-bananas-hit-10-year-highs). The average price of a basket of six fresh fruit items monitored by China’s Ministry of Agriculture and Rural Affairs hit 6.98 Chinese yuan ($1.03) per kilogram during the one-week period of July 1–7, corresponding to a 19.7% increase over the same period of last year.

The ministry’s basket of six widely consumed fresh fruit items includes both generic species and specific varieties, namely, Chinese white pears , Fuji apples, Kyoho grapes, bananas, pineapples and watermelons — all of which have grown more expensive on average over the past year.

*To some extent* the rise in prices is being driven at least as much by realignment of production to match consumer demands as by inflationary pressures — farmers had previously been growing more of various species of Asian pears than there was market demand for. Now, many farmers have begun replanting their orchards with other types of fruit and volumes have dropped accordingly, prompting a rise in prices. However, increasing labour and transport costs and the impact of COVID-19 restrictions have also contributed to the higher prices.

Nonetheless, in addition to factors like reduced output, the higher prices of fresh fruit in China can also be traced to many of the same rising input and transport costs that have been [hitting agricultural producers](https://www.agweb.com/news/business/taxes-and-finance/soaring-input-costs-cause-farmer-sentiments-drop-lowest-reading) around the world this year. The price of fertilizers in China is basically double that of last year. In addition, the prices of various other agricultural chemicals such as pesticides have also risen rapidly, increasing production costs for farmers. Behind increases in logistics costs, meanwhile, are both rising fuel costs and China’s COVID-19 restrictions. Transportation costs for fresh fruit have essentially doubled over the past year, while delays and the resulting degradation in quality caused by COVID-19 restrictions have also been a headache for the industry.

**Subscribe/ Unsubscribe** If you no longer wish to receive this email, please send a note to [info@pmac.co.nz](mailto:info@pmac.co.nz) asking to be added/ removed and providing the nominated email address

**Disclaimer** Please note this information has been accessed from emails that have been forwarded to info@PMAC.co.nz and are distributed as a weekly update. If you intend using this information, please sight the original document to ensure you are aware of the context within which any changes have been made and to guard against any transcription changes