

**PMAC weekly update 3rd to 9th April**

1. **Government agencies**: Primary sector exports forecast to rise to over $42 billion in 2018; ICPR Update; WTO Notifications; New Approach to manage myrtle rust; MBIE food and Beverage report on Cherries
2. **New Zealand News:**  Research decodes farmers’ media habits; Trio taking $5m bet on medicinal cannabis industry that doesn’t exist yet; New website aims to make it easier for seasonal workers and employers; PMA Australia-New Zealand welcomes a new director; Collateral damage: Nobody wins in a trade war; "Water essential to feed New Zealand"; Seeka sells off Zespri shares; Zespri: Kiwifruit crop increase could lead to labour shortage; Kiwi apple remains 'Envy' of others in USA; Harlequin ladybirds a threat to New Zealand horticulture.
3. **International news:** Agreement EU and UK means good news for the economy for now"; US objects to South Korean import restrictions on American fruit; Europe: Plant passport requirement expanded; Food Traceability and Safety Software FoodLogiQ Raises $19.5m; Australia: Horticulture Statistics Handbook out now; Blockchain and cryptocurrency to usher in new era for supply chains; Overview of global berry production; China: logistics tracking and collaboration platform ensures multi-party cooperation; Australian rockmelon farm linked to listeria outbreak resumes production; Rockmelon Listeriosis Outbreak Update; US: Water quality interpreter tool available

**Editors comments**

*Despite the short week we have still managed a good number of articles. To me the most notable is the news that myrtle rust , now that it has been found in the South Island, will no longer be managed for eradication but is being passed over to long term management. While not surprising it does represent another disease that plant producers and horticulturalists will need to deal with.*

*The other article worth a read is Mike Chapmans concern Water essential to feed New Zealand" about the Governments decision to no longer fund irrigation schemes. Worth thinking about with the likely increase in extreme weather patterns over the next few years*.

1. **Agency news**



* 1. **Primary sector exports forecast to rise to over $42 billion in 2018**

*MPI released its* Situation and outlook for primary industries report in March. The report shows export revenue across all of the sectors has been incredibly strong over the past year. High returns and new policies are expected to create investment opportunities across the primary industries. The full report provides a snapshot and forecast for New Zealand's major primary sectors. [Full document available here](https://www.mpi.govt.nz/news-and-resources/media-releases/primary-sector-exports-forecast-to-rise-to-over-42-billion-in-2018/)

* 1. **ICPR updates**

The ICPR for Taiwan has been updated with information on Ginkgo nuts and Land cress (Barbarea verna). See [Importing Countries Phytosanitary Requirements](http://mpi.govt.nz/law-and-policy/requirements/importing-countries-phytosanitary-requirements/)

* 1. **New Approach to manage myrtle rust**

MPI and the Department of Conservation say the fight against the plant disease myrtle rust is changing gear, given the prevalence of the disease across susceptible parts of New Zealand. Myrtle rust has now been confirmed in the Tasman region at the top of the South Island, which means the disease has been found across almost all regions identified as most vulnerable based on habitat suitability and wind patterns.

Dr Duthie ( the incursion manager) says the focus of efforts now had to be placed on a science programme designed to lift our understanding around the disease such as ways to treat myrtle rust, resistance and susceptibility, and to improve seed banking collection. "A second key focus has to be on working with communities across New Zealand to support regional efforts to combat myrtle rust. As we transition to long-term management, MPI and the Department of Conservation (DOC) will be engaging with iwi and hapū, territorial authorities, the plant and nursery industries, and communities to support the development of regional programmes. This could include regional surveillance programmes, identification and protection strategies for taonga plants and special locations, advice to landowners, seed banking, and broad community engagement.”

DOC will continue to focus on seed collection to secure the long-term future of native myrtle plants and monitoring biodiversity impacts to inform science and management actions. It will also continue efforts to protect sites of high ecological and cultural significance. [Full article available here](http://mpi.govt.nz/news-and-resources/media-releases/new-approach-to-manage-myrtle-rust/)

* 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 so that they can potentially make a submission to the notifying country. Changes notified over the last week include:

* MRL’s Brazil, Canada, Jamaica and the EU

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



* 1. **MBIE food and Beverage report on Cherries**

New Zealand has a strong niche position in the global cherry trade, but the environment is

challenging and continued success cannot be taken for granted. This report looks at risks and opportunities. [Full article available here](http://www.mbie.govt.nz/info-services/sectors-industries/food-beverage/documents-image-library/2018-guides/investment-opportunities-nz-cherry-industry.pdf)



1. **New Zealand News**

**General**

* 1. **Research decodes farmers’ media habits**

In the internet age, rural newspapers and magazines are still accessed at least weekly by 88% of farmers and growers. New independent research about farmers’ and growers’ media habits reveals the rural market is unique. [Read the survey here.](https://www.ruralnewsgroup.co.nz/media/k2/attachments/Rural_Media_Habits_Survey_March_2018.pdf)

Crucially, printed newspapers and magazines have the biggest impact on farm purchase decisions, with 82% plac­ing it in the top three. And rural print (newspapers and magazines) have advertising that farmers pay attention to and find more relevant to their businesses than all other media.

The level of influence of rural print on farm and horticultural property decision making is significant.

[Full article available here](https://www.ruralnewsgroup.co.nz/rural-news/rural-general-news/research-decodes-farmers-media-habits?utm_source=Rural+News+Group+Weekly+E-Newsletter&utm_campaign=de437367e0-Rural_News_Group_Bulletin_16_January_2018&utm_medium=email&utm_term=0_fb79f8bfe8-de437367e0-59798541&ct=t(Rural_News_Group_Bulletin_16_January_2018))

* 1. **Trio taking $5m bet on medicinal cannabis industry that doesn’t exist yet**

Advertising Executive, Paul Manning, has left his role as the Managing Director of the ad agency 99 to take what is essentially a $5 million bet on an industry that doesn’t yet exist. He is joining cannabis start-up Helius Therapeutics. Mr Manning said all three men had given up salaries and high-paying positions to do this. He added that legitimacy in the industry involved high barriers to entry. He said it was a capital-intensive business and that he estimated the industry to be worth a billion dollars before exporting is even taken into account. The company was yet to receive a licence to cultivate medical cannabis in New Zealand. He noted that prohibition was causing one in twenty New Zealanders to purchase cannabis from criminals for medical purposes. They recommended the adoption of seed-to-sale tracking biotechnology that would allow producers and law enforcement to track any product on the market back to the source. [Full article available here](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12023501)

* 1. **New website aims to make it easier for seasonal workers and employers**

The “Work The Seasons” website was launched in Pukekohe by the Minister for Social Development, Carmel Sepuloni, and the Minister of Employment, Willie Jackson. It is designed to make it easier for seasonal workers to find jobs and employers to find the right candidates. Horticulture New Zealand Chief Executive, Mike Chapman, said they needed more people and supported the initiative to get New Zealanders to take on the healthy lifestyle involved with a career in horticulture. Work the Seasons was supported by 13,500 seasonal employers who can recruit with it. The website has been live since 1 February. [Full article available here](https://www.stuff.co.nz/auckland/local-news/102328275/new-website-aims-to-makes-it-easier-for-seasonal-workers-and-employers)

* 1. **PMA Australia-New Zealand welcomes a new director**

Paul Turner, Merchandise Manager - Produce - at Woolworths Supermarkets has replaced Scott Davidson on the Produce Marketing Association Australia - New Zealand (PMA A-NZ) board. Scott has recently moved to New Zealand to take up the role of General Manager - Buying & Merchandise for Countdown. here

* 1. **Collateral damage: Nobody wins in a trade war**

A trade works article looks at the potential for a trade war. It states- Farmers and food producers, manufacturers and consumers, both in the US and in retaliating economies, will suffer as prices are pushed up, supply chains interrupted and investment turned off as a result of the tariffs. Third countries including New Zealand may see new demand in some markets in the short term, but the overall disruptive impacts are unlikely to be good news. [Full article available here](http://www.tradeworks.org.nz/collateral-damage-nobody-wins-trade-war/)

* 1. **"Water essential to feed New Zealand"**

Reality: plants need water to grow, and that water supply needs to be consistent and reliable.
In the past two years, there have been extreme climatic events, alternating between intense periods of rain and drought. In December, the country went into drought. After having had too much water for months, then there was none. In Waimea, growers were forced to make decisions about which trees would not fruit and would have water supply reduced to root stock survival levels only.

Water storage and irrigation are key for sustainable growth of horticulture to feed New Zealanders. Water storage helps keep river flows at the right level during heavy rain, to use during drought. In many cases, water schemes have full community support, meet the strict environmental requirements around river swimmability and nutrient limits, and augment river flows to keep water ecosystems alive and healthy. This benefits everyone.

The Government’s decision last week to wind down irrigation funding is very disappointing for growers and, will ultimately impact consumers of healthy food and New Zealand’s ongoing prosperity. There is a misconception that irrigation means intensive farming and bad outcomes for the environment. In reality, organic farmers use irrigation and well-managed water storage schemes can lead to good environmental outcomes.

How irrigated water is used needs to be understood in the full context of the environment, maintaining healthy rivers, urban water supply, productive and sustainable vegetable and fruit growing, and meeting climate change challenges. Our plea to the Government is that they don’t rule out large-scale irrigation schemes as bad, but that they look at the purpose of water storage schemes and make decisions based on good outcomes overall. [Full article available here](http://www.hortidaily.com/article/42340/Water-essential-to-feed-New-Zealand)

**Industry news**

* 1. **Seeka sells off Zespri shares**

Seeka, New Zealand's biggest kiwifruit grower has sold out of the Zespri Group after opposing constitutional changes at the monopoly export body that tie shareholdings to trays of fruit produced. The changes were approved by more than 75 percent of shareholders last month but among the resolutions were that shareholders who voted all their shares against the overhaul could require Zespri to buy back their shares.

Seeka said it will receive about $6.11 million selling about 740,606 shares back to Zespri. Chief executive Michael Franks said the money would be used to repay debt and for working capital.

Zespri wants to aim for a ratio of one share for one tray produced but the new cap would set the limit at four shares per tray. A spokeswoman said while one share per tray was seen as ideal, Zespri recognised that it wasn't practical and would make the market in the shares less liquid. Apart from the cap, there was no compulsion for suppliers to hold shares. [Full article available here](http://www.freshplaza.com/article/192218/Seeka-sells-off-Zespri-shares)

**Crop news**

* 1. **Zespri: Kiwifruit crop increase could lead to labour shortage**

New Zealand Kiwifruit Growers Inc. Chief Executive, Nikki Johnson, said early indications show an increased crop this year, particularly for SunGold. She added that the industry was expected to grow significantly over the next 10 years. EastPack Chief Executive, Hamish Simson, noted its six sites could pack 38 million trays this season which was a 5 million tray increase over last year. They had invested over $100 million in infrastructure. Mr Johnson said they anticipated there would be fewer international students available to work, which increased reliance on backpackers and New Zealanders. [Full article available here](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12022646)

* 1. **Kiwi apple remains 'Envy' of others in USA**

American’s have once again selected New Zealand-born Envy™ apple as their favourite in a consumer competition run by the US Apple Association. New Zealand grower, T&G Global, was well represented in the competition with three of its premium apples namely JAZZ™, Envy™ and Pacific Rose™ being voted on by apple-lovers. [Full article available here](http://www.freshplaza.com/article/192207/Kiwi-apple-remains-Envy-of-others-in-USA)

**Biosecurity**

* 1. **Harlequin ladybirds a threat to New Zealand horticulture**

Infestations of Harlequin ladybirds in the Gisborne district could pose a threat to the horticulture and viticulture industries. The invasive species from Asia was first reported to the Ministry of Primary Industries in Auckland in 2016 and has since been found in the Waikato, Bay of Plenty and Taranaki regions. It has also been discovered at Te Karaka and in the Matokitoki Valley.

Harlequin ladybirds are a potential threat to the horticulture industry, as they feed on top fruit, causing blemishes on the fruit. They are known to cluster within bunches of grapes before harvest, resulting in tainted juice. [Full article available here](http://www.freshplaza.com/article/192258/Harlequin-ladybirds-a-threat-to-New-Zealand-horticulture)



1. **International news**

**Comment**

**Regulatory**

* 1. **Agreement EU and UK means good news for the economy for now"**

The recently signed agreement between the European Union (EU) and the United Kingdom (UK) concerning a Brexit transition period means good news for the continuity of economical activities. It reduced the insecurity about conducting business between the UK and the EU in 2019 and 2020. It also gives companies more time to adjust to the future economic relation between the UK and the EU.

"The agreement only becomes legally binding when both parties have signed the entire separation agreement. The main obstacle remains the border issue between Ireland and Northern Ireland. No agreement on this matter means no separation agreement and thus no transition period. A hard Brexit without a deal still remains a risk. In that scenario trade obstacles will rise up immediately."

This article also talks about the consequences of Brexit for the Dutch ornamental flower cultivation.
It suggests Dutch exporters will have to deal with extra phytosanitary and other checks at the border in the various Brexit scenarios. In case of a free trade agreement between the UK and the EU, the UK can acknowledge the phytosanitary checks of the country of origin, but there will be custom formalities. If the UK and the EU form a customs union no custom formalities are required. In case of a hard Brexit delays at the border are expected, which will be disastrous for the quality of flowers and market confidence."  View the Brexit Monitor at: [Rabobank.nl/brexit](https://www.rabobank.nl/bedrijven/ondernemen/internationaal-zakendoen/landen/vk/brexit/) [Full article available here](http://www.floraldaily.com/article/14739/Agreement-EU-and-UK-means-good-news-for-the-economy-for-now)

* 1. **US objects to South Korean import restrictions on American fruit**

After the US renegotiated the South Korea-US Free Trade Agreement (KORUS FTA) – using import restrictions on steel based on Article 232 of the Trade Expansion Act as leverage – it is now expressing its dissatisfaction with South Korea’s import restrictions on American fruit. Even though the two sides completed three rounds of negotiations aimed at revising the KORUS FTA and declared they had reached a breakthrough in principle, the US still appears to be dissatisfied.

A 2018 report about trade barriers -released by the US Trade Representative on March 30- brought up the issue of non-tariff barriers to trade on American fruit, an issue it has never mentioned before. The USTR said it had asked South Korea’s Ministry of Agriculture, Food and Rural Affairs to improve a cherry export program and access to the South Korean market for blueberries produced in Oregon and other states. The report also stated that the USTR had asked South Korea to provide market access for apples and pears, whose import is currently forbidden, and that it would continue to ask South Korea to allow imports of the fruit in question. [Full article available here](http://www.freshplaza.com/article/192134/US-objects-to-South-Korean-import-restrictions-on-American-fruit)

* 1. **Europe: Plant passport requirement expanded**

From 14 December 2019 the requirement to have a plant passport will be expanded as a consequence of the new Plant Health Regulation. It will apply to all 'plants intended for planting out'. According to the EU definition, these are plants that can produce mature plants and are meant to do so. These plants must be planted out, replanted or remain planted. Everything that we now call cultivation material falls under this definition (thus also seeds), as well as all pot, bedding and container plants 'for consumption'. In the (EU) summer of 2018, more information will be available about registering and the registration number. It will become clear where companies will have to register and which inspection service they will be dealing with. All companies will then receive a new registration number, including the companies that are already registered with an inspection service. [Full article available here](http://www.floraldaily.com/article/14801/Europe-Plant-passport-requirement-expanded)

**Business**

* 1. **Food Traceability and Safety Software FoodLogiQ Raises $19.5m**

FoodLogiQ has raised a $19.5 million series A round. The ultimate driver of this technology was the health and wellbeing of consumers. Research has predicted the food traceability market to be worth $14 billion by 2019 and there were a growing number of startups working towards introducing their own traceability solutions. Mr Erlanger explained that FoodLogiQ was not built on a blockchain, but that it was compatible with blockchain elements. It will use the funds to expand its product offering as well as expanding sales, marketing and customer service teams. [Full article available here](https://agfundernews.com/breaking-food-traceability-safety-software-foodlogiq-raises-19-5m-pontifax-tyson.html)

* 1. **Australia: Horticulture Statistics Handbook out now**

Hort Innovation has released the latest Horticulture Statistics Handbook – offering the most comprehensive and contemporary data available on all sectors of the Australian horticulture industry in one easy-to-read guide. The handbook includes data on more than 70 horticultural products including fruit, nuts, vegetables, nursery, turf and cut flowers.

The Handbook, which captured data up until June 30, 2017 revealed:

* Nationally, almonds were Australia’s most valuable horticultural export product ($461M) followed by table grapes ($372M), macadamias ($291M), oranges ($223M), and carrots ($90M).
* The largest export markets for fresh Australian horticultural products by value were Asia (68 per cent), followed by Europe (13 per cent) and the Middle East (9 per cent).

The handbook is available now on the [Hort Innovation website](http://horticulture.com.au/resource/australian-horticulture-statistics-handbook/). [Full article available here](http://www.hortidaily.com/article/42271/Australia-Horticulture-Statistics-Handbook-out-now)

* 1. **Blockchain and cryptocurrency to usher in new era for supply chains**

Major shippers of perishables are expecting a widespread adoption of blockchain technology and cryptocurrencies in the next decade. At the recent TPM conference in Long Beach, Chayenne Wiskerke, chief executive of Wiskerke Onions, the world’s largest shipper of onions, said cryptocurrencies could potentially solve one of the largest problems her company faced.

“At least 40% of my trade is with Africa and the main challenge is a shortage of liquidity in many countries. We have a lot of problems getting payments and, while it’s currently one step too far to use cryptocurrencies, I am pretty sure that within five to six years I will be dealing with digital currencies to facilitate payments.

“And it’s all going to be done via automatic systems. Ordering will be done automatically –probably not wholesale, but certainly retail– and we are already doing our first trials where I can see retail sales which triggers production orders I need to prepare.” [Full article available here](http://www.hortidaily.com/article/42367/Blockchain-and-cryptocurrency-to-usher-in-new-era-for-supply-chains)

* 1. **Overview of global berry production**

Demand for soft fruit is rising globally. After the long rise of blueberries, blackberries and raspberries now appear to be the next in line to experience a growth spurt. Globally 13.4 million tonnes of soft fruit were harvested in 2017 with 70 per cent of global production consisting of strawberries, but strawberries are exported the least in percentages. Production is also growing for blueberries, raspberries and blackberries. In 2020, two million tonnes of blueberries will be harvested, compared to 1.7 million tonnes in 2017. The volume of raspberries and blackberries will increase from 1.3 million tonnes in 2017 to 1.4 million tonnes in 2020.

For blueberries, the market is becoming increasingly more international. The Chinese market in particular shows a lot of growth and it pays better prices than the US.” However, this does pose a risk for the rest of the market. When Chile starts focusing more on China, this could be very disadvantageous for the supply to these markets.

Despite all of these positive figures, the berry sector is also facing some challenges it should find an answer to. The first challenge is sustainability. “Strawberries are at the top of the list of Dirty Dozen that could be a problem in future.” A second challenge is in packing material. In the UK, Supermarkets have already started a war on plastics. Soft fruit needs packaging, but these trends do have to be translated to the sector. A third challenge is more political. “The sector is flourishing due to free trade, but we’ve seen protectionism arising. It’s important the sector continues to plead for free trade.” The availability of workers is a fourth challenge. Globally, the number of harvest employees is decreasing, which could disrupt the market. [Full article available here](http://www.freshplaza.com/article/191714/Does-Chinas-hunger-for-blueberries-disrupt-the-global-market)

  **China**

* 1. **China: logistics tracking and collaboration platform ensures multi-party cooperation**

Since its establishment in 2014, Cydiance has been working with Internet of Things (IoT) based technologies to provide location, temperature and humidity related applications for the international fresh products trade.

Cydiance's tools allow customers to track and record the whole process starting from transportation, sorting, and transfer to the distribution for both import and export customers. It provides complete data and reduces possible logistic problems significantly. Recently it has also launched the Shipment Tracking and Collaboration Platform, which is independently designed and operated by the company. The platform is called Cydiance Book. It is expected that the platform will be officially put into use on April 16. It will be available in three languages: English, Chinese, and Spanish.

The Cydiance Book Tracking and Collaboration Platform has two main functions:

1. ***Tracking and data analysis*** it transmits the temperature, humidity and location coordinates to the platform through the (IoT) devices so that importers and exporters can track their goods in real time. During the tracking process, if an abnormal situation occurs, the alarm system will be automatically activated and the details will be sent to the customer via email or SMS.
2. ***Collaboration* *and sharing after*** the customer enters the system and activates the waybill, the customer can randomly invite relevant personnel (including other companies) to track or manage the shipments together. The collaboration can be performed by different parties and can be customized. [Full article available here](http://www.freshplaza.com/article/192148/China-logistics-tracking-and-collaboration-platform-ensures-multi-party-cooperation)

 **Food safety**

* 1. **Australian rockmelon farm linked to listeria outbreak resumes production**

Contaminated fruit from Rombola Family Farms, located in the NSW Riverina, has been linked with the spread of the disease which infected 19 people across Australia. Six deaths were linked to the outbreak, first revealed in February. Last week the farm announced it was resuming the production, packing and sale of rockmelons this week, having met all requirements of the NSW Food Authority’s Clearance Program.

“While the NSW Food Authority identified a link to Rombola as the source of the listeria outbreak, neither the Authority nor an independent microbiologist identified any specific source associated with Rombola or with our washing, storage and packing facilities for rockmelons,” a spokeswoman for the farm said in a statement. According to [news.com.au](http://www.news.com.au/lifestyle/health/rockmelon-farm-linked-to-listeria-outbreak-resumes-production/news-story/f312a185418f81ce983d0142d8237d57), the company added that it will undertake regular mandatory testing of produce in accordance with the Clearance Program, supplemented by further daily voluntary testing.

However, in a press release dated April 4th, the Australian melon industry expressed its concern that the farm at the centre of the listeria outbreak has now been issued an all-clear by the New South Wales Food Authority. The industry is worried that the causes of the listeria outbreak have not been traced or adequately addressed. The Australian Melon Association met with the NSW Food Authority on the 21st March. It provided reassurances that the industry would receive an update on the progress of the investigation last week. This has not been forthcoming, and industry has been left in the dark as to the causes and outcomes of the listeria outbreak. [Full article available here](http://www.freshplaza.com/article/192217/Australian-rockmelon-farm-linked-to-listeria-outbreak-resumes-production)

* 1. **Rockmelon Listeriosis Outbreak Update**

While the media coverage of the current Listeria outbreak in Melons has had lessened in recent weeks there is still a large amount of time being invested in reviewing the incident and working to reduce the likelihood of similar events occurring in the future. The Australian Melon Association has continued to keep industry informed through teleconferences and email updates, to put out positive messages for consumers, and to work with the food authorities and retailers in efforts to rebuild consumer trust and hence recreate demand. Industry, through Hort Innovation, has also moved to commission levy-funded activity to redefine food safety best practice for growing and packing and deliver that message around the country.

The incubation period for the Listeria monocytogenes bacteria, which causes the listeriosis illness, is up to 70 days following consumption of contaminated food. Further illnesses could occur until 10th May. Until this period has elapsed, and despite the fact that new illnesses are increasingly unlikely as that date approaches, growers, foodservice businesses, wholesalers and retailers will be understandably wary of rushing in to a public relations campaign. [Full article available here](http://www.pma-anz.com/news/latest-news/1228/rockmelon-listeriosis-outbreak-update)

 **Innovation**

* 1. **US: Water quality interpreter tool available**

The University of Connecticut and University of Florida just launched WaterQual tool. This tool interprets the quality of a water source for use in irrigation of plants in greenhouses and nurseries. [Full article available here](http://www.floraldaily.com/article/14736/US-Water-quality-interpreter-tool-available)

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