

**PMAC weekly update 13th to 20th August**

1. **Government agencies:** Changes in signature on phytocerts; Pea weevil update
2. **New Zealand News:**  Extension for exceptional employer awards; A measured approach to new age crop protection; Report shows need to protect Pukekohe food hub; New Zealand fruit growers start action against MPI; Covered crops are thriving under the economic radar; Zespri launches industry realignment process; Hawke’s Bay food producers win the battle to keep it GM Free; Sterile codling moths dispersed; Big plans for New Zealand's commercial banana plantation; Lettuce rockets as veggie prices surge; Smoke from rural areas not causing pollution, council says; Havelock North mushroom company fined $26k over stench; Successful partnership prevented establishment of new pest
3. **International news:** GAIN reports; US: Estimated costs to comply with Food Safety Modernization Act; Bayer shares plummet after Roundup cancer trial; Bayer starts Monsanto integration; Extreme temperatures in Europe cause worst vegetable crisis in 40 years; India: Perishable cargo terminal planned at Srinagar Airport; China: Supermarket pays compensation for mislabelled product; China: "Diversion of US agricultural products turns market upside down"; China's Registered Fruit Exporters: Who, What and Where Are They?; America’s Enduring Failure to Prevent Food-Borne Illness; Chemicals to replace pesticides also pose threat to bees; Canada to phase out outdoor use of two neonicotinoid pesticides; Chemicals found in vegetables prevent colon cancer in mice

***Editors comments*** *It seems to be the week for reports this week . Two significant reports have been released in New Zealand this week . One on the importance of the Pukekohe area as a very productive area for vegetables and the threat it is under as Auckland tries to use the land for housing. The report uses the opportunity to go further and also covers off the need for sustainable productivity increases, new cultivars, attracting skilled labour, secured access to water and sustainable margin’s. These are all topics that Government and the community need to debate and seek resolution to.*

*The other significant NZ report is one on protected cropping. A sector that is not high up in our export figures but very significant in terms of domestic consumption. This reports provides some interesting facts and should raise the sectors profile with regulators and planners.*

*The other news I find interesting this week is two reports from the Hawkes Bay which highlight two areas we may hear more of in terms of the competing requirements of urban and horticultural communities. These are the smoke from orchard clean ups and stench from mushrooms*

1. **Agency news**



* 1. **Changes in signature on phytocerts**

On the 29 August 2018. MPI will be updating the signature and name on the NZ phytosanitary certificates with Jacqui Bird, Manager Plant Wine & Organic Assurance, Regulation & Assurance.  This is to reflect staff movement within MPI.

MPI has notified the sensitive markets via our embassy contacts to help provide importing countries with adequate time to complete their internal procedures to minimise any potential impact on trade.

If any exporters have any issues on arrival, please advise them to contact [plantexports@mpi.govt.nz](mailto:plantexports@mpi.govt.nz) and we will be able to provide them with a letter from MPI.

* 1. **Pea weevil update**

After last season’s successful trap crop programme, the response is well on the way to eradicating pea weevil and the [Controlled Area Notice](https://hortnz.us14.list-manage.com/track/click?u=aecda7aaa04d433b3c1267c8e&id=9863e7e3aa&e=2b699d0a67) currently in place remains in force. Please remind friends and neighbours that growing peas or moving pea straw into the Wairarapa is still prohibited.  
If you require more information about your application for ex-gratia support please contact your Claim Assessor or contact the compensation co-ordinator at [compensationcoordinator@mpi.govt.nz](mailto:compensationcoordinator@mpi.govt.nz), or find out more [here](https://hortnz.us14.list-manage.com/track/click?u=aecda7aaa04d433b3c1267c8e&id=f5c13562ab&e=2b699d0a67).



1. **New Zealand News**



* 1. **Extension for exceptional employer awards**

Associate Minister for Agriculture, Meka Whaitiri has extended the nomination period for the Primary Industries Good Employer Awards, in order to recognise more outstanding employers from the sector which employees around one in seven New Zealanders.

* Individuals or businesses must be nominated by an industry body or a peer.
* Nomination entries close on 24 August 2018.
* The winners will be announced November 2018.
* For further information or to make a nomination visit [www.mpi.govt.nz/goodemployerawards](http://www.mpi.govt.nz/goodemployerawards)

[Full article available here](Extension%20for%20exceptional%20employer%20awards)

**General**

* 1. **A measured approach to new age crop protection**

*Chemical have been important in dealing with many of the recent high profile biosecurity incurcions into New Zealand*. But our ultimate goal is to use as few chemicals as possible, to use them in a very targeted way and, where we can, to use nature’s own products to manage pests and diseases", writes Mike Chapman, CEOof Horticulture New Zealand.  
  
"There are two challenges that present themselves to the chemical-free future. The first challenge is finding and developing biological products that can effectively replace chemical compounds. The second is getting those biologicals approved for use in New Zealand. If we cannot effectively replace the chemical compounds growers are currently using and if these compounds are withdrawn from use, then growers will lose the battle to manage pests and diseases, and crop productivity and quality will reduce.  
  
As trade conditions tighten so do the regulatory processes and approvals that permit our fruit and vegetables to enter other countries. In Europe, the worrying trend is that decisions about what chemical compounds can be used are now, more than ever before, subject to political decision-making based on gaining votes, rather than on good science. These trade barriers, threats to the protection of intellectual property, hazard-based assessments of chemical compounds, and political change are all causing regulatory uncertainty.  
  
"Recently adopted European Union standards on endocrine disruptors for example have resulted in complaints to the World Trade Organization from trading partners such as Canada, Australia and the United States. The standards are deficient due to being based on hazards - without considering exposure – ignoring the principal of sound risk assessment. As a result of hazard-based assessments, more substances could be banned, leading to trade restrictions. New Zealand's fresh produce exported into Europe will therefore, come under greater scrutiny. [Full article available here](http://www.freshplaza.com/article/199266/A-measured-approach-to-new-age-crop-protection)

* 1. **Report shows need to protect Pukekohe food hub**

Horticulture New Zealand commissioned Deloitte to report on New Zealand’s food story: The Pukekohe hub, detailing the significant contribution Pukekohe’s horticulture industry makes to the health and wealth of New Zealand, and in particular its largest city, Auckland. The full report is available [here](http://www.hortnz.co.nz/assets/Deloitte/New-Zealands-food-story-The-Pukekohe-hub.pdf) and a summary of the report is available [here](http://www.hortnz.co.nz/assets/Deloitte/Summary-report-New-Zealands-food-story-The-Pukekohe-hub.pdf). Questions and answers on the report are available [here](http://www.hortnz.co.nz/assets/Deloitte/QAs-New-Zealands-food-story-The-Pukekohe-hub.docx).

*The report states amongst other things that* “It is a small area – just 0.01% of the size of Auckland. And while Pukekohe accounts for just 3.8% of the country’s land under fruit and vegetable production, it contributes to 26% of the nation’s value of production of vegetables, and a lesser proportion of fruit.”

Deloitte would like to see the food security conversation for the Pukekohe hub focusing on:

1. Consideration of productive land -Adequate and careful planning on land use, including balancing the needs of housing and horticulture.
2. Sustainable productivity increases- Using innovative technologies to manage the intensification of cropping within environmental limits
3. Uptake of new cultivars- Investment in the development of new varieties to manage changing conditions, diseases, consumer preferences and productive capacity
4. Attracting skilled labour - Communicating and creating visible opportunities to attract talent and skilled labour into the industry
5. Sustainable margins - Creating a more commercial, demand-driven supply chain with less wastage to improve value and ensure a fair return on capital
6. Secured access to resources - Balancing of domestic and horticulture demands on water through efficient and considered water allocation systems

[Full article available here](http://www.hortidaily.com/article/45093/New-Zealand-Report-shows-need-to-protect-Pukekohe-food-hub)

* 1. **New Zealand fruit growers start action against MPI**

Tens of thousands of New Zealand apple and stone fruit plants will be destroyed following a directive issued by MPI. The directive includes plant materials imported between 2012 and 2017, as well as materials taken or grown from the original plants imported from an offshore quarantine facility at Washington State University in the United States. This centre has provided plant material to New Zealand stone fruit orchards since the 1980s.

But angry growers are taking legal action against MPI, claiming potential future losses could add up to $1.5 billion. The growers say the MPI dropped the ball on its auditing, and lacks the resources to protect New Zealand. Hawkes Bay company Yummy Apples cultivates new varieties of apples and stone fruit in its nurseries. They've now discovered the budwood and rootstock they imported over the past six years was done so without proper certification.

Washington facility the Clean Plant Centre failed its last MPI onsite audit, so the Ministry has ordered all plants linked to it since its previous onsite audit six years ago be contained or destroyed. More than 30 orchardists, nurseries and importers in Waikato, Hawke's Bay, Nelson and Central Otago will be affected.

According to [newshub.co.nz](https://www.newshub.co.nz/home/rural/2018/08/fruit-growers-launch-action-against-mpi.html), Mr Paynter described the directive issued by MPI as "hopelessly binary". He argues that while the destruction of recent imports may be fair, the odds of six year old orchards carrying dormant viruses are extraordinarily unlikely. "It really comes back to some sub-standard management by MPI." [Full article available here](https://www.newshub.co.nz/home/rural/2018/08/fruit-growers-launch-action-against-mpi.html)

**Industry news**

* 1. **Covered crops are thriving under the economic radar**

While larger industries grab most of the headlines (with good reason) they do not portray the full New Zealand story of a developed economy in action. The NZIER in a report to Tomatoes NZ and Vegetables NZ set out to illustrate their impact on the New Zealand economy of covered crops by providing estimates of the economic impact of covered crops. The report examined tomatoes, capsicums, cucumbers, eggplant, herbs/microgreens/sprouts/other, and lettuce. *The original article is full of facts and is a very interesting read some of which is summarised below.*

Those concerned with New Zealand’s economic, social and environmental progress are interested in all forms of durable economic activity whether products are consumed domestically or exported.

In the domestic market the supermarket chains dominate the marketing chain. Different businesses have reacted with different strategies to this market structure.  Some businesses have grown and some smaller businesses have exited the industry.  
  
Those smaller businesses wishing to remain in the industry are actively diversifying into niche markets and developing products that other bigger entities cannot replicate on a consistent basis. The days of growing small amounts of a bog-standard product that others can easily replicate on a bigger scale are long gone.  
  
With consumer growth, opportunities have also arisen for niche players (sometimes with further processed products) who in some instances have developed their own path to market. This type of marketing strategy is based on cultivating strong relationships between buyer and seller.   
  
The first thing that strikes you about covered crops is the vibrancy of the industry. Fuelled by population growth, increased consumption per head, and increased tourist numbers the industry is in a buoyant state. Volume growth for most crops has been between 2% and 6% per annum over the past five years. For some growers, plans for expansion are underway. This is an important industry for New Zealand, attracting stable jobs and skills in a growing market for covered crop products. It makes important contributions to GDP and general wellbeing through the employment it provides, exports it makes, and an increased use of technology.   
  
The impact of the covered crops sector can be measured by changes in, for example, the production and its value. These changes have effects that are felt all along the supply chain and ‘ripple’ outwards to affect the rest of the economy. The economy benefits from covered crops by $120 million once you strip out the yearly running costs. The estimates are set out in total and between tomatoes and other covered crops. Exports are relatively small with the main focus being on the growing domestic market. In value terms, the total farmgate returns are approximately $295 million, this includes $35/$40 million of exports depending the year. Exports vary depending on the supply and demand conditions in New Zealand and overseas. Strong domestic sales have made it hard to predict likely export volumes.  
  
The number of businesses in the industry are increasing reflecting a growing industry. The industry creates approximately 2,400 jobs and produces income of approximately $53.3 million. This includes growers engaged in handling, packing and transport to wharf or market.  
  
The report estimate that total investment per annum by this industry is approximately $16.3 million per annum for the whole industry or 0.06% of total investment in New Zealand. For every extra $1 in income generated by the covered crops industry, at least a further $1.50 is generated for other businesses. [Full article available here](http://www.hortidaily.com/article/45130/New-Zealand-Covered-crops-are-thriving-under-the-economic-radar)

* 1. **Zespri launches industry realignment process**

Last week Zespri Group Limited lodged several key documents to support its strategically important industry realignment initiative , with MinterEllisonRuddWatts advising on the targeted share issue and buy-back.

The targeted share issue and buy-back process is a key step in achieving the kiwifruit industry’s aim of strengthening grower ownership and control of Zespri says Corporate Partner Silvana Schenone who leads the firm’s advising team. Currently a large proportion of growers are under shared or do not hold shares in the company. The process launched last week aims to address this imbalance, allowing current growers access to dividends as well as fruit payments."

"The share offer could raise up to NZ$945 million if full entitlements are taken up, which will support the buy-back offer. The share offer will open on 3 September and the buy-back opens on 17 September. Both offers close on 19 October 2018. [Full article available here](http://www.freshplaza.com/article/199438/Zespri-launches-industry-realignment-process)

**Crop news**

* 1. **Sterile codling moths dispersed**

Last week, thousands of sterile codling moths were dropped by drone onto central Hawke's Bay apple orchards to help wipe out the destructive wild population of the pest. Mr Apple technical manager Robbie McCormick said if codling moths were eliminated from Hawke's Bay it would open new high-value export markets, as India, Japan, China, Taiwan and Western Australia do not accept apples from regions affected by the moths.

"Hawke's Bay is an isolated area and we think we have a fighting chance to eradicate the codling moth population," McCormick said. The organic technique also reduces insecticide use. Plant and Food Research scientist Jim Walker said that in a single 10 minute flight, a drone following GPS co-ordinates and fitted with special moth-carrying pods, can distribute 23,000 moths over a 100 hectare orchard. "It's a very efficient and effective way of getting moths spread uniformly across an orchard.

“The wild moth population had already been reduced by up to 98 percent across the 400ha of central Hawke's Bay orchard treated with sterile moths,” he said. "Of 80 pheromone traps, we caught one wild codling moth between them in a season."

The sterile moths, imported from Canada, have the same drive to mate, but no progeny result. By flooding the wild population with up to 60 sterile moths for every fertile moth in the treated orchards the wild populations collapse. [Full article available here](http://www.freshplaza.com/article/199500/New-Zealand-Sterile-codling-moths-dispersed)

* 1. **Big plans for New Zealand's commercial banana plantation**

New Zealand's first commercial banana plantation will hopefully become a major part of the horticulture scene and create jobs, both in the agriculture and scientific sectors, according to its creators. A partnership between Tai Pukenga Ltd and AgResearch has seen an initial trial crop, with plans to plant more trees in December and January, which could see fruit for sale in as soon as 18 months.

Banana Project Manager for Tai Pukenga, Trevor Mills says the initial crop, located in the Gisborne region, will be of the Cavendish variety, with farmers markets the likely starting point.

"One grower has established what we are calling our first commercial banana plantation, that is planting the rows 2 metres apart," he said. "He has put in around 30 plants, just as a trial, and they are growing quite well, even in these winter conditions. We are now identifying other possible growers around the whole region and we have half a dozen possibilities lined up. There are heaps of banana clumps growing in people’s backyards in the Gisborne area."

AgResearch became involved in the project after Mr Mills delivered a presentation at a Food Futures forum to identify new crops, and after joining forces, an application for funding was made to the Ministry of Business, Innovation and Employment. Mr Mills says receiving more than $93,000 was like "winning the lotto". Long term the plan is to expand the banana plantations and make them commercially viable, to produce enough volume to be sold nationwide - which will reduce the amount that is needed to be imported. [Full article available here](http://www.freshplaza.com/article/199434/Big-plans-for-New-Zealands-first-commercial-banana-plantation)

* 1. **Lettuce rockets as veggie prices surge**

A crunchy head of lettuce cost consumers $5.42 in July. The crunch of healthy salad has more bite with data from Statistics New Zealand showing that the price of lettuce is up 77 per cent from last month.Overall, the price index showed vegetable prices rose 9.2 per cent in the month, with higher prices for tomatoes (up 30 per cent), and broccoli (up 24 per cent) sitting alongside lettuce as the biggest contributors. The price of a 500g head of lettuce was $5.42 in July 2018, compared with $3.07 in June 2018, and $3.30 in July 2017.

A 7.9 per cent fall in fruit prices partly offset the rise in vegetable prices. [Full article available here](https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12106170)

* 1. **Smoke from rural areas not causing pollution, council says**

Growers have so far this year largely escaped the regulatory net cast by Hawke's Bay Regional Council, a net designed to lower urban air pollution levels in winter. Winter is when air pollution levels soar on still nights in Napier and Hastings, due to domestic fires. Last year Hawke's Bay Regional Council chairman Rex Graham called for stronger regulation around orchard burn-offs, but his own council says the timing of air-quality exceedances shows domestic fires are the problem.

This year, of the 28 fines for fires issued by the council were nearly all were in urban areas.

Council Regulation Group Manager Liz Lambert said the $300 fines were typically issued to "mums and dads" burning rubbish in their garden.  [Full article available here](https://www.nzherald.co.nz/agricultural-services/news/article.cfm?c_id=112&objectid=12106360)

* 1. **Havelock North mushroom company fined $26k over stench**

Havelock North company Te Mata Mushrooms has been fined $26,000 in its latest tangle with neighbours, the Hawke's Bay Regional Council and the courts over discharges of offensive odours.

The fine, split between two charges laid by the Council relating to discharges in February this year, was imposed by Judge Craig Thompson in Hastings Distrct Court today.

The judge also awarded costs against the company but expressed sympathy to both sides of the enduring dispute, the company which has a history dating back over 50 years and employs about 120 people, and the neighbours around the property in the Brookvale area on the northern outskirts of Havelock North. [Full article available here](https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12106144)

**Biosecurity**

* 1. **Successful partnership prevented establishment of new pest**

MPI and affected industry GIA partners including TomatoesNZ have agreed to “stand down” the Poinsettia Thrips (Echniothrips americanas) investigation, after surveys found no further specimens.  
The “Unwanted Organism” was discovered in August 2017 in one Auckland greenhouse. This species of Thrips can feed on a wide range of host plants, causing damage to greenhouse crops such as house plants and cut flowers, tomatoes, and capsicums.  
  
TomatoesNZ and other potentially affected Government Industry Agreement for biosecurity Readiness and Response (GIA) partners Vegetables NZ and Kiwifruit Vine Health worked with MPI to determine whether it had spread beyond the one site.  
  
Crop scout staff from T&G Global, NZ Hothouse, NZ Gourmet, and Southern Paprika volunteered to be trained by MPI in thrips surveillance, and provided the manpower to survey a number of greenhouses. No further infestations were found beyond the original site. The affected site owner worked with MPI and took measures to prevent spread and successfully eradicate the population, which was confirmed by a survey in April. [Full article available here](http://www.hortidaily.com/article/45129/New-Zealand-Successful-partnership-prevented-establishment-of-new-pest)



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 Fresh Cherries,(Sweet&Sour), Fresh Peaches & Nectarines 2018** Cherry exports reached a record of 184,741 MT in MY2017/18. Cherry planted area grows steadily at a 10.2 percent rate surpassing 30,000 hectares in MY2017/18. Eighty five percent of cherry exports go to China.  [Stone Fruit Annual\_Santiago\_Chile\_8-10-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Stone%20Fruit%20Annual_Santiago_Chile_8-10-2018.pdf)

|  |
| --- |
| 1. **Germany Stone Fruit Report –2018** Germany is the third-largest importer of cherries in the world after China and Hong Kong.  From 2014 to 2017, between 54 and 74 percent of the cherries consumed in Germany were imported, with the majority of imports originating in other EU-28 member states.  The largest non-EU cherry suppliers are Turkey for sweet cherries and Serbia for tart cherries.  [Stone Fruit Report – Germany 2018\_Berlin\_Germany\_8-7-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Stone%20Fruit%20Report%20%e2%80%93%20Germany%202018_Berlin_Germany_8-7-2018.pdf) 2. **India - Draft Amendments in Contaminants Toxins and Residues Regulation** The Government of India’s (GOI) Food Safety and Standards Authority of India (FSSAI) amended the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011, to update tolerance limits for metal contaminants.  [Draft Amendments in Contaminants Toxins and Residues Regulation\_New Delhi\_India\_8-8-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Draft%20Amendments%20in%20Contaminants%20Toxins%20and%20Residues%20Regulation_New%20Delhi_India_8-8-2018.pdf) 3. **Spain FAIRS Annual Country Report** Spain is a member of the European Union (EU) and follows EU directives and regulations.  This report is an update of SP1725 and outlines the applicable legislation regarding the export of U.S. food products to Spain, particularly those rules that differ from EU legislation.  [Food and Agricultural Import Regulations and Standards Report\_Madrid\_Spain\_7-10-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20Report_Madrid_Spain_7-10-2018.pdf) |

**Regulatory**

* 1. **US: Estimated costs to comply with Food Safety Modernization Act**

The FSMA Produce Rule will be implemented in phases beginning in 2018 and will affect farms supplying almost all fresh produce sold in the United States.

The FDA previously estimated the cost of compliance with the Produce Rule for a few broad categories of farms distinguished by annual produce sales value and exemption status. In its analysis, FDA estimated the total costs of compliance to be $368 million for domestic farms (annualized over 10 years, using a 7-percent discount rate) but did not estimate the costs by commodities or regions. Using those original FDA estimates, this study provides estimates of the cost of compliance with the Produce Rule by commodity, State, and farm size (based on sales).

The study found *:* The many fixed costs associated with the administrative and personnel components and the food safety process components of complying with the Produce Rule cause compliance costs to be higher as a share of revenue for smaller farms. For farms with produce sales over

* Over $3.5 m are estimated to incur annual costs of compliance of about 0.3 %of the value of their produce sales.
* between $500k and $700 k 4.2%
* between $250k and $500k 6% and
* between $25 k and $250 k 6.8 percent, The annual costs of compliance with the Produce Rule are estimated to add about 0.3 percent to the farm cost of producing romaine lettuce (lowest among vegetables considered in this study) and 3.0 percent to the farm cost of producing snap beans (highest among vegetables).

The annual costs of compliance with the Produce Rule are estimated to add about 0.7 percent to the farm cost of honeydew (lowest among fruits considered in this study). Among fruits primarily grown domestically for U.S. consumption, the highest farm cost is estimated at 3.0 percent for pears. These differences in cost of compliance across commodities reflect differences in farm sizes; fully regulated farms that grow honeydew tend to have much larger value of sales than fully regulated farms that grow pears. [Click here to download the full report.](http://www.ers.usda.gov/publications/pub-details/?pubid=89748) [Full article available here](http://www.hortidaily.com/article/45029/US-Estimated-costs-to-comply-with-Food-Safety-Modernization-Act)

**Business**

* 1. **Bayer shares plummet after Roundup cancer trial**

Bayer shares plunged more than 10 percent last Monday after a California jury ordered the German company’s newly acquired Monsanto subsidiary to pay $289 million for not warning of cancer risks posed by its main weed killer. The case against Monsanto, bought by Bayer this year for $63 billion, is the first of more than 5,000 similar lawsuits over the company’s glyphosate-based weedkillers, including its Roundup brand, across the United States.  
  
Monsanto said on Friday that it would appeal against the verdict which is the latest episode in a long-running debate over claims that exposure to Roundup can cause cancer. “Whilst an appeal is certain and may indeed likely result in the penalty being moderated at a minimum if not reversed altogether, a large number of similar pending cases will now likely multiply.” [Read more at Reuters (Ludwig Burger)](http://www.reuters.com/article/us-monsanto-cancer-lawsuit-bayer/bayer-shares-slide-after-monsantos-roundup-cancer-trial-idUSKBN1KY0M5)

**Bayer starts Monsanto integration** It has been 100 weeks since September 14, 2016, when Bayer signed an agreement with Monsanto to acquire the company for $66 billion, or $128 per share. Last week , BASF closed the acquisition of Bayer’s global vegetable seeds business Nunhems, opening the door for the integration of Monsanto into the Bayer group. The acquired vegetable seeds business comprises 24 crops and about 2,600 varieties. It also includes R&D and breeding systems with over 100 unique breeding programs in more than 15 crops.

It seems both greenhouse vegetable brands are likely to continue their business relatively undisturbed. BASF is currently not a player in the greenhouse vegetable business, but with the acquisition of the complete business unit, they're buying a running factory. The Vegetable Seeds business has always been operating relatively independently, and the acquisition includes ongoing activities like the currently expanding GreenEx project. So far the only visible difference is the Nunhems website, currently showing a BASF brand.

The integration of Monsanto into the Bayer Group can also begin. Bayer already became the sole owner of Monsanto Company on June 7, 2018. Bayer responds in a press release to the glyphosate verdict as well, following the gigantic value decrease in their stocks.

As regards the glyphosate verdict in California on August 10, 2018, Bayer believes that the jury’s decision is at odds with the weight of scientific evidence, decades of real world experience and the conclusions of regulators around the world that all confirm glyphosate is safe and does not cause non-Hodgkin’s lymphoma. The National Institutes of Health (NIH) recently reaffirmed glyphosate does not cause cancer. The U.S. Environmental Protection Agency (EPA), the European Food Safety Authority (EFSA), the European Chemicals Agency (ECHA) and other regulators around the world have also concluded that glyphosate can be used safely, Bayer reports.  
  
The jury’s verdict is just the first step in this case, and it remains subject to post-trial motions in the trial court and to an appeal, as announced by Monsanto. As this case proceeds, Bayer believes courts ultimately will find that Monsanto and glyphosate were not responsible for Mr. Johnson’s illness.  
  
Due to the aforementioned requirements imposed by the U.S. Department of Justice, Bayer did not have access to detailed internal information at Monsanto. Under these conditions, Bayer was not permitted to influence matters relating to Monsanto’s business, and its ability to actively comment on them in detail was extremely limited. [Full article available here](http://www.hortidaily.com/article/45178/The-seed-shift-has-started)

* 1. **Extreme temperatures in Europe cause worst vegetable crisis in 40 years**

The European Association for Fruit and Vegetable Growers reported that the constant high temperatures in Europe have caused one of the worst crises in the European fruit and vegetable industry in the last 40 years. Data from the Association shows that 2018 is the third consecutive year in which the European fruit and vegetable industry faces weather-related difficulty. The production volume of garden peas and beans decreased by 20-50%. "Production areas in south Europe also suffered from strong storms (floodwater and hailstones). The onion harvest decreased by 15-50%; many production areas are unable to grow pumpkins, spinach, beans, and cauliflower because of the dry weather."

[Full article available here](http://www.freshplaza.com/article/199503/Extreme-temperatures-in-Europe-cause-worst-vegetable-crisis-in-40-years)

* 1. **India: Perishable cargo terminal planned at Srinagar Airport**

A dedicated cargo terminal for the perishables is a joint effort of the Airport Authority of India and the J&K Government and will be in addition of a general cargo terminal, which is expected to be completed in September 2019. [Full article available here](http://www.floraldaily.com/article/16756/India-Perishable-cargo-terminal-planned-at-Srinagar-Airport)

  **China**

* 1. **China: Supermarket pays compensation for mislabelled product**

A consumer who bought Vietnamese passion fruit and durian in the supermarket later found that China did not allow the import of these two kinds of fruit from Vietnam. The supermarket was brought to court and asked for compensation. During the trial, the supermarket said that the fruits involved in the case were all imported from Thailand, and they were mislabelled when they were sold.

[Full article available here](http://www.freshplaza.com/article/199227/China-Supermarket-pays-compensation-for-mislabelled-product)

* 1. **China: "Diversion of US agricultural products turns market upside down"**

Chinese importers say that, as the Sino-US trade war intensifies, the cost price of US agricultural products suddenly increased. This is on the one hand because customs tariffs increased, and on the other hand because customs procedures take longer, which means that a larger proportion of agricultural products goes bad while waiting to be released from customs. This inevitably reduces the profit margin.

Exporters of US agricultural products, have attempted to avoid the increased Chinese customs tariffs by diverting their products to Hong Kong. Fruit import in Hong Kong is rapidly increasing and imported fruit becomes cheaper. This development is most obvious in the price of imported US cherries. They are close to 40% cheaper than in the same period in previous years. Some traders say that the higher cost price will eventually lead to higher prices, but for now it has resulted in the opposite.

Every summer in China, many kinds of fruit compete with each other in the market. The position of imported fruit is not that strong when it comes to volume and price. Especially this year as many Chinese farmers enjoyed an abundant harvest. The increased production volume gave consumers more room to choose. This is just another blow to the market position of imported fruit from the US.

[Full article available here](http://www.freshplaza.com/article/199228/China-Diversion-of-US-agricultural-products-turns-market-upside-down)

* 1. **China's Registered Fruit Exporters: Who, What and Where Are They?**

China Customs recently published a list of approved Chinese orchards and packers registered for exporting fresh fruit.

Last year substantial drops in two of China's major export crops, apples and citrus, were not offset by slight rises in exports of table grapes, pears, pomelos, peaches, mangoes and bananas. Despite the fall in apple exports, China remained the world's largest apple exporting country.

The recently published list of registered export packers and orchards contained 1,209 packers and 3,078 orchards, spanning all of China's provincial-level administrative divisions. From the perspective of orchards, getting on this list involves overcoming some significant bureaucratic hurdles. Requirements for a Chinese orchard to apply successfully to become a registered exporter include having more than 6.6 hectares (that's 100 Chinese mu) of contiguous plantation; integrated quality and pest management systems; employee training schemes; and a record of no outbreaks of harmful organisms within the past two years.

And, of course, most important, the fruit that the orchard is registering to export must be approved to be imported from China by the country the orchard is applying to export to. Overall, of the 3,078 registered orchards, 1,092, or 35.4% were dedicated to apples. This was followed by pears at 531 (17.2%) and citrus at 518 (16.8%).[Full article available here](https://www.producereport.com/article/chinas-registered-fruit-exporters-who-what-where-are-they)

 **Food safety**

* 1. **America’s Enduring Failure to Prevent Food-Borne Illness**

## An E. coli outbreak linked to romaine lettuce killed five people this spring. In a July update, the CDC said 210 people across 36 states were sickened by E. coli O157, and five people died, making it the worst outbreak in more than a decade.

The CDC’s green light to eat romaine again may have marked the end of the lettuce crisis in consumers’ minds, but the situation is far from over. The agency and the FDA are still investigating why and how a dangerous strand of E. coli wound up contaminating lettuce in Yuma. No single grower, harvester, processor, or distributor has been blamed, and investigators are still unsure whether contamination happened during the growing, washing, chopping, or bagging process. So far, the agencies have [only released one finding](https://www.cnbc.com/2018/07/02/officials-identify-a-source-in-the-romaine-lettuce-e-coli-outbreak.html): That the same E. coli strain found in sickened people across the country was also in Arizona’s canal water, which is used to irrigate crops.

This outbreak thus should not be seen only as a food poisoning outbreak, but a major water contamination crisis—The agency’s finding also raises questions that E. coli experts say more people should be asking, such as: How did deadly bacteria end up in crop water? And why does it keep happening in a country that’s supposed to have some of the strongest environmental protections in the world?

Escherichia coliis a naturally-occurring, but sometimes dangerous bacterium that lives in the intestines of animals, which is a polite way of saying it’s found in poop. The strain implicated in the romaine outbreak, O157, is called a “Shiga-toxin producing” strain, which can cause kidney failure and lead to death, particularly in vulnerable populations like children and the elderly. “It takes only 100 cells of E. coli 0157 to make you sick,” compared with 5,000 to 10,000 cells of Salmonella bacteria to do the same. O157 is also [most commonly found](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3645889/) in the fecal matter of cattle, It’s therefore possible that manure from one of Yuma County’s [many livestock operations](https://www.agcensus.usda.gov/Publications/2012/Online_Resources/County_Profiles/Arizona/cp04027.pdf) ran off into the canals that [fuel Arizona’s agricultural system](https://wrrc.arizona.edu/water-conference-highlights-arizonas-irrigated-agriculture).

Whether the ultimate culprit winds up being inadequate E. coli tests, weak regulations, or industry bad actors, Detwiler said the romaine outbreak should be a wake-up call that not enough has been done to prevent deadly food-borne illness. “We haven’t learned our lessons,” he said. “It’s really sad that we’re at a time when we’ve just started implementing the Food Safety Modernization Act, there’s so much doubt cast upon science and regulations, because those are the things that are going to solve this problem.” [.Full article available here](https://newrepublic.com/article/149628/americas-enduring-failure-prevent-food-borne-illness)



**Sustainability**

* 1. **Chemicals to replace pesticides also pose threat to bees**

Astonishingly, new chemicals touted as the next generation of pesticides appear to have disruptive effects on bee colonies. The finding comes after a wave of opposition to bee-harming chemicals led to some of the biggest insecticides being banned throughout the EU in April. In a new study, recently introduced sulfoximine-based treatments were found to reduce both the overall size of bumblebee colonies and the number of male offspring they produced. These substances are already permitted in 47 countries around the world, and they are currently being considered for use in the UK.

[Full article available here](http://www.freshplaza.com/article/199566/Chemicals-to-replace-pesticides-also-pose-threat-to-bees)

* 1. **Canada to phase out outdoor use of two neonicotinoid pesticides**

Health Canada’s Pest Management Regulatory Agency is proposing to cancel all outdoor uses of clothianidin and thiamethoxam. According to Health Canada, the two neonicotinoid pesticides are being measured at levels that are harmful to aquatic insects.

Earlier this year the European Union also decided to prohibit several neonicotinoids. "Agricultural pesticides containing active ingredients Imidacloprid, Thiamethoxam and Clothianidin may therefore in future be used only in permanent greenhouses and for the treatment of seeds cultivated in greenhouses. The relevant plants may not be planted out into open fields but must remain in the greenhouse until harvested or used", they explained.

Canada is going further. "Health Canada is proposing to cancel all outdoor uses of clothianidin and thiamethoxam on food and feed crops, including seed treatments, and on turf over three to five years.  [Full article available here](http://www.hortidaily.com/article/45173/Canada-to-phase-out-outdoor-use-of-two-neonicotinoid-pesticides)

  **Health**

* 1. **Chemicals found in vegetables prevent colon cancer in mice**

Chemicals produced by vegetables such as kale, cabbage and broccoli could help to maintain a healthy gut and prevent colon cancer, a new study from the Francis Crick Institute shows.

While the health benefits of vegetables are well-established, many of the mechanisms behind them remain unknown. This study offers the first concrete evidence of how I3C in the diet can prevent colon inflammation and cancer, by activating a protein called the aryl hydrocarbon receptor (AhR).

AhR acts as an environmental sensor, passing signals to immune cells and epithelial cells in the gut lining to protect us from inflammatory responses to the trillions of bacteria that live in the gut.

“Seeing the profound effect of diet on gut inflammation and colon cancer was very striking,” says senior author Dr Gitta Stockinger, Group Leader at the Francis Crick Institute. “We often think of colon cancer as a disease promoted by a Western diet rich in fat and poor in vegetable content, and our results suggest a mechanism behind this observation. Many vegetables produce chemicals that keep AhR stimulated in the gut. In fact normal mice on the purified control diet( with few to no vegetables developed colon tumours within 10 weeks, whereas mice on the standard chow didn’t develop any. This suggests that even without genetic risk factors, a diet devoid of vegetable matter can lead to colon cancer. [Full article available here](http://www.freshplaza.com/article/199436/Chemicals-found-in-vegetables-prevent-colon-cancer-in-mice)

**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