

**PMAC weekly update 25th June to 2nd July**

1. **Government agencies:** OPI Pest list changes ; Psa litigation; WTO Notifications; New Zealand's Inside Stories - Food & Beverage FILM; Invitation to comment on conformity assessment services in New Zealand; 2018 Review of the Essential Skills in Demand Lists; Business Insurance review; Small business relationships with suppliers and customers
2. **New Zealand News:** Small business relationships with suppliers and customers; Next Steps; CPTPP law in the House as Mexico first to ratify; June Trade Update; Transformative Leadership & Innovation for Competitiveness course; High Court rules in favour of Kiwifruit Claimants; NZ soils now digitally mapped; Federal Court orders Air New Zealand to pay A$15 million; "Confusion reigns on fuel tax"; Organics exports from New Zealand on the rise; Zespri announces new partnership with CMA CGM; Free trade deal with Europe could deliver a $30m windfall for kiwifruit exports; Land and tree stakes in short supply as Hawke’s Bay plants one million apple trees; Rising avocado prices - spike in thefts across New Zealand; North Island Māori secure record slice of kiwifruit market; Key investments leads to greater quality for a NZ pear grower; T&G Global takes out MOYA 2018; 'Gisborne set to secede and form banana republic'; NZ scientists chase dream of guilt-free hot chip; Fruit fly restriction zones in Tasmania to last another six months
3. **International news:** GAIN reports; Tariffs could cause 40% drop in US agricultural exports to China; India to impose extra duty on US apples; Trump wants single federal food safety agency put under USDA; EU: Guidance on identifying endocrine disruptors published; Fiji: Cheaper imported fruit & veg; "Businesses need to start preparing for major shift in digital landscape"; Blockchain: myth or salvation? "Businesses need to start preparing for major shift in digital landscape"; Fresh produce industry needs foresight to adapt to technological change; FloraHolland Brings Global Cut Flowers to China; Anti-insect nets covering nectarines represent the reality; US: GlobalGAP supports stakeholders to meet FSMA requirements; What is considered a farm under the FSMA Produce Safety Rule?; GM crop area at 190 million hectares worldwide in 2017 Why Costco’s avocados will last twice as long; Sweet cherries inhibit oxidative stress and inflammation.

**Editors comments**

*A very full newsletter this week. Leading the way is the news of the Court Decision regarding PSA . MPI is taking its time to consider the decision and decide whether it will appeal. A second article under the NZ news looks in greater detail at the basis of the decision. It will obviously take a while before this action is completely resolved. However its effect on making public servants even more cautious about making decisions will come into effect straight away.*

*At the same time 4 consultations are underway within MBIE looking at various factors that can influence business activity. Three of the 4 say all that’s required is a 10 minute survey so if you have the time this is an easy way to inform Government policy.*

*In the international section there are 3 good articles on data management and the importance of a cultural change within businesses to allow the benefits technology to be exploited An important area.*

1. **Agency news**



* 1. **OPI Pest list changes**

The Australian Offshore Pre-shipment Inspection (OPI) pest list has been updated changing the status of Corticariinae indet (Mildew beetle) from actionable to non-actionable.

* 1. **Psa litigation**

MPI has received the High Court's decision on the long-running Psa litigation and is now carefully considering its findings and implications for current and future biosecurity activities. The 500-page document traverses events dating back 12 years, pre-dating the establishment of MPI, and requires a thorough examination. Once MPI has completed consideration of the judgment, a decision will be made on whether to appeal.  That decision must be made by the Solicitor-General, not MPI. Until then, MPI will be making no further comment. [Full article available here](http://mpi.govt.nz/news-and-resources/media-releases/psa-litigation/)

* 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:

* Kenya requirements for processed fruit and vegetables
* Taiwan Draft sanitation requirements for Microbiological levels on food

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



* 1. **New Zealand's Inside Stories - Food & Beverage FILM**

Last week the NZ story web site launched the first three **'Inside Stories'** for this ongoing series: the Global Film, Ingenuity Film, and Food & Beverage Film.

The films can be downloaded from [toolkit.nzstory.govt.nz](http://mail.nzstory.govt.nz/mail/link/AlRBDMWW7f1IUxos5NKLpg) and used online and at events and conferences around the world. This film features interviews with local and global chefs, food and wine producers, and food entrepreneurs all talking about the unique attributes that sets our food apart.

The NZ story also needs your help. You can become a New Zealand storyteller by sharing our story with the world to help tell the world what New Zealand has to offer. [Full article available here](https://www.nzstory.govt.nz/stories/inside-stories-food-and-beverage-film/?utm_source=eNewsletter&utm_medium=Email&utm_campaign=June&utm_content=Inside%20Stories%20Food%20%26%20Beverage%20Film%20-%20heading)



* 1. **Invitation to comment on conformity assessment services in New Zealand**

MBIE is seeking feedback from businesses with experience of New Zealand’s conformity assessment services as part of a wider review of New Zealand’s conformance system. Conformity assessment services include inspection, certification, testing and systems audits. They give independent assurance that products and services meet standards or regulations. The survey will be available between 26 June until 10 July 2018. A 10-minute online survey is available [here](https://businessnz.cmail20.com/t/r-l-jyukkkil-gljiulyur-c/) -.

* 1. [**2018 Review of the Essential Skills in Demand Lists**](https://businessnz.cmail20.com/t/r-l-jyukkkil-gljiulyur-q/)

If you, your business, and or your industry is struggling to fill occupations and/or employ migrant staff, then the review of the skill shortage lists will be of interest to you. MBIE has commenced the review of occupations on the Skills Shortage Lists. For more information on the review process and to view the lists please [***c***lick here->>](https://businessnz.cmail20.com/t/r-l-jyukkkil-gljiulyur-a/)

* 1. **Business Insurance review**

The government is seeking public input on a review of New Zealand’s insurance contract law.

Effective regulation of insurance contracts is important so that consumers, businesses and insurers can transact with confidence in a fair, efficient and transparent way. The issues paper describes the issues that MBIE has heard regarding insurance contract law and conduct in the insurance industry. We are looking for evidence to improve our understanding of these issues and inform our advice to Ministers regarding what should be done about them. Consultation is open until 5pm on Friday **13 July 2018**. [For full details see here](http://www.mbie.govt.nz/info-services/business/business-law/insurance-contract-law-review)

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| * 1. **Small business relationships with suppliers and customers**
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The purpose of this survey is to find out about your business’ relationships with your suppliers (including your franchisors if you are a franchisee) and business customers. In particular, we are interested in whether you feel that your business has been treated ‘unfairly’ and, if so, the type of unfair conduct, and the impact this has had. The survey should take around 10 minutes to complete.

[Full article available here](https://www.research.net/r/MBIEbusinesssurvey)



1. **New Zealand News**



* 1. **Government to act on Land and Water Forum report**

The Government will act immediately on some recommendations of the Land and Water Forum including prioritising action in the most “at-risk” catchments.  While Regional Councils hold a lot of information about the state of catchments in both urban and rural parts of each region, there is currently no coherent national picture.  “The joint Ministry for the Environment/Ministry of Primary Industries Water Directorate will work with Regional Councils to pull this information together,” David Parker said.

The Forum also recommended some changes to the current regulatory regime, including the National Policy Statement for Freshwater Management (NPS-FM) and the Resource Management Act.

David Parker has already signalled plans to update the NPS-FM and amend aspects of the RMA.

The Forum argues for regulating for good management practices in both rural and urban environments.   [Full article available here](https://www.beehive.govt.nz/release/government-act-land-and-water-forum-report)

* 1. **Next Steps**

This article provides a speech provided by Winston Peters to the Otago Foreign Policy School He covers his stance on increased involvement in the Pacific, the need to reassess how we look at New Zealand defence, how we can contribute to and influence international discussion and what all these factors will men to our International policy settings. [Full article available here](https://www.beehive.govt.nz/speech/next-steps)

* 1. **CPTPP law in the House as Mexico first to ratify**

Last week a Bill bringing New Zealand’s ratification of the CPTPP a step closer had its first reading in Parliament today as Mexico becomes the first country to notify it has ratified the 11 member trade deal.

Mexico’s speedy ratification, less than four months after the agreement was signed in Santiago, is a welcome indication of support for open markets and global trade rules. New Zealand’s own ratification process of CPTPP is well under way with the Foreign Affairs, Defence and Trade Select Committee having heard public submissions and completed its parliamentary treaty examination last month. The CPTPP will come into force 60 days after at least six of the 11 signatories have ratified. [Full article available here](https://www.beehive.govt.nz/release/cptpp-law-house-mexico-first-ratify)

**Export NZ**

* 1. **June Trade Update**

#### EU FTA Negotiations launched - are now officially launched.   Expect it to take at least 2 years. Agriculture, Geographic indications, data localization and other issues will take time to work through.

Those with interest in the EU market – for goods, services and investment – should talk to MFAT about whether this negotiation has the potential to open markets, reduce regulation/compliance costs etc.

#### Pacific Alliance Export NZ understands that this negotiation involving New Zealand, Singapore and Australia joining the Pacific Alliance free trade agreement (Mexico, Colombia, Peru and Chile) is making good progress.  MFAT is consulting on this negotiation around the country.

#### Global Storm Clouds Gather - The prospect of a trade war between the US and other major economies is growing. A number of WTO members have challenged the legality of these tariffs and have retaliated with tariffs of their own. The fact that they have gone ahead with this retaliation appears a surprise to some in the Trump administration as they believed that no one would dare do this. The overarching concern is a contraction in world trade would be very negative for the overall state of the global economy. [Full article available here](https://www.exportnz.org.nz/news-and-information/news/2018/trade-updates-2018/trade-update-june?utm_medium=email&utm_campaign=The%20Exporter%20June%202018&utm_content=The%20Exporter%20June%202018+CID_e9c0646257f68083125ca4578b739593&utm_source=Campaign%20Monitor&utm_term=Trade%20Update)

* 1. [**Transformative Leadership & Innovation for Competitiveness course**](https://businessnz.cmail20.com/t/r-l-jyudutjd-aekytdhr-v/)

The world is changing at a rapid pace never seen before with technology taking centre stage as a major catalyst. In this era of constant change, successful global business leaders must be knowledgeable of technology trends and must understand new models to foster innovation. The course offers a unique opportunity to grasp on the transforming global landscape and engage with change-makers and experienced practitioners –from the GFCC network, currently represented in 35+ countries. Participants will have an intensive 6-day learning experience in Arizona on October 2018 and engage with more than 30 speakers, from 10+ countries.  [Full details here](http://www.thegfcc.org/gca)

General

* 1. **High Court rules in favour of Kiwifruit Claimants**

The New Zealand High court has found that the MPI (formally MAF) was negligent in allowing the Psa disease into New Zealand in 2009.A claim was heard last year involving 212 claimants, under the name of Strathboss Kiwifruit, seeking accountability for losses suffered in the incursion that devastated the kiwifruit industry. On Friday morning Justice Jillian Mallon released her 500-page ruling, in the plaintiffs favour.

The plaintiffs successfully argued that a shipment arrived from Shaanxi Province, China, in 2009 containing 4.5kg of pollen, anthers and other plant material that were infected with Psa - and that consignment was required by law to have been inspected by MPI at the border and biosecurity clearance should not have been granted due to material discrepancies. The concept of whether MPI owed a duty of care to kiwifruit growers was at the centre of the court case. "I have found that MAF owed a duty of care to Strathboss to take reasonable skill and care in its actions or omissions prior to the New Zealand Psa incursion to avoid physical damage to property," Justice Mallon said in her ruling. "It also owed a duty to take care to avoid loss consequential on that damage to property. I have found that Psa entered New Zealand through the anthers consignment imported pursuant to the permit granted to Kiwi Pollen by MAF. I have also found that MAF breached its duty of care by acts or omissions at the pre-border stage when granting import permits to Kiwi Pollen."

She added: "In all the circumstances it is just, fair and reasonable that MAF has a duty of care to those within the class represented by Strathboss who have suffered loss to their property. The wrong to them should be remedied. Those within the Strathboss class will have to show they had property rights in the vines and crops or that their interest in the vines and crops is sufficiently direct or closely associated with those rights that they should be treated as though they have suffered loss to their property."

Justice Mallon also rejected the Crown claim that they had a complete defence because all the relevant MAF personnel had an immunity under the Biosecurity Act. The Kiwifruit Claim members will now have the opportunity to seek compensation, which Mr Eynon says while the exact amount is "fluid", it could be around the $500million mark.

"Major NZ produce company Seeka was part of the claim as second plaintiffs, however Justice Mallon ruled that the relationship between the MPI and Seeka was not close enough (as a post-harvest operator) to warrant a claim in this case. Mr Eynon says "it's not perfect", but suggested that could be appealed. [Full article available here](http://www.freshplaza.com/article/197391/NZ-High-Court-rules-in-favour-of-Kiwifruit-Claimants)

* 1. **NZ soils now digitally mapped**

Soil scientists have completed digitally mapping more than 8 million hectares of New Zealand soils. S-map online started in the mid-2000s when there was a push to digitise paper soil mapping records and help those using our soil understand it better by accessing information on historic and new soil records for the wide variety of New Zealand soils. “The primary focus up to now has been mapping land with high production potential that is most likely to have the most intensive land use pressures. S-map has managed to map half of this land,”

Soil quality in New Zealand was included in the Our land 2018 environmental report released two months ago by the Ministry for the Environment. The report highlighted significant concerns about erosion, S-map online is widely used, with around 7,000 registered users downloading 35,000 soil fact sheets last year. [Full article available here](http://www.scoop.co.nz/stories/SC1806/S00062/more-than-8-million-hectares-of-nz-soil-now-digitally-mapped.htm)

* 1. **Federal Court orders Air New Zealand to pay A$15 million**

Australia's Federal Court has ordered Air New Zealand to pay A$15 million for its role in a global air cargo cartel through the middle of last decade. New Zealand's national carrier and Indonesia's PT Garuda were the two hold-outs, again and again protesting their innocence in Australia in the long-running price-fixing claim. The case has spanned multiple jurisdictions in several countries, and has gone on for well over a decade.

Last Wednesday, the Federal Court ordered Air NZ to pay A$11.5 million for fixing fuel surcharges on cargo from Hong Kong to Australia and a further A$3.5 million over the insurance and security surcharge from Singapore to Australia. Air NZ also agreed to pay A$2 million towards the regulator's costs. "These illegal price fixing agreements unfairly reduced competition for the transport cost for goods flown into Australia," ACCC commissioner Sarah Court said. "Our efforts over the last decade and these significant penalties make clear the ACCC’s commitment to tackling cartels."[Full article available here](http://www.freshplaza.com/article/197259/Federal-Court-orders-Air-New-Zealand-to-pay-A15-million)

* 1. **"Confusion reigns on fuel tax"**

Confusion reigns after Labour passed its Regional Fuel Tax (RFT) law, says Horticulture New Zealand chief executive Mike Chapman. "This tax comes into force in Auckland on Sunday July 1st, yet there is no system in place for off-road ‘behind the farm gate’ vehicles and machinery used by the 441 fruit and vegetable growers in Auckland that we represent," Chapman says. "Growers should not have to pay the RFT for vehicles and machinery that are supposed to be excluded from this tax, yet on Sunday they will have to. We are talking about considerable numbers of vehicles and machinery used to produce healthy food for New Zealanders, both in Auckland and beyond.

" The Government has spent seven figures developing a rebate system without ever talking to future users, or considering that they shouldn’t have to pay the tax in the first place. ""This process has been so rushed to meet Auckland Mayor Phil Goff’s announced 1 July deadline, that we feel that we have not been listened to and the full democratic process has been unnecessarily truncated - to the point Labour suggested the committee stage of the Bill did not even need to be debated, in the interests of time. We do not believe growers should have to pay the tax in the first place and lose this money for a full three months before they can claim it back. [Full article available here](http://www.hortidaily.com/article/44345/Confusion-reigns-on-fuel-tax)

**Industry news**

* 1. **Organics exports from New Zealand on the rise**

Exports of organic products from New Zealand are now worth $335 million annually; 42% more than three years ago. Domestic market sales also rose, to $254 million, bringing total sales to just on $600 million. Organics Aotearoa New Zealand (OANZ) last week unveiled the results of its three-yearly survey at a function at parliament attended by growers, processors and supermarkets. Fresh fruit and vegetables remain the largest export earner at nearly $136m.According to [ruralnewsgroup.co.nz](https://www.ruralnewsgroup.co.nz/dairy-news/dairy-general-news/organics-exports-rise), the number of certified-organic operations is up 12% to 1,118 licensees and 1,672 certified enterprises, and land under organic production has increased 17% to almost 89,000 ha due to a 50% growth in organic livestock area. [Full article available here](http://www.freshplaza.com/article/197153/Organics-exports-from-New-Zealand-on-the-rise)

* 1. **Zespri announces new partnership with CMA CGM**

Zespri kiwis will no longer be transported to the Belgian port of Zeebrugge in refrigerated vessels. From the start of this year's kiwi season in New Zealand, these fruits will be brought in by containers. Last week, Zespri celebrated this new partnership with French container transportation and shipping company, CMA CGM.

CMA CGM's Nicole Chamard said "In the period from March to September, a ship will arrive weekly. In total, 7.000 containers of kiwis will be transported to Zeebrugge. The voyage from New Zealand to Zeebrugge will take 32 days. Five thousand containers have also been specially-built to transport these kiwis", We also want to add that Zeebrugge Port is completely Brexit-proof." The port has established a digital platform. This made the transition possible.

"Zespri switched to containers because we did not have much of an alternative", says Bert Barmans of Zespri. "The market is changing dramatically. We represent a certain volume. We need to keep and increase this amount in the coming years. *The article goes on to explain the process and quality involved in landing Kiwifruit in Europe*. [Full article available here](http://www.freshplaza.com/article/197223/Zespri-announces-new-partnership-with-CMA-CGM)

* 1. **Free trade deal with Europe could deliver a $30m windfall for kiwifruit exports**

According to Zespri CEO, Dan Mathieson, a free trade deal with the European Union could offer a $30 million benefit to the New Zealand kiwifruit industry. The current tariff into Europe could be removed under the proposed free trade agreement. Zespri’s top six European consuming countries spent $558 million on Zespri-branded kiwifruit in 2017-18. Italian lawyer, Frantini Vergano, noted Zespri operations and the export licencing system applied to kiwifruit in New Zealand might violate New Zealand’s World Trade Organisation obligations. Zespri Chief Grower and Alliances Officer, David Courtney, said it had made significant investments in Europe, and especially in Italy through its global supply programme where it had built partnerships with the Italian kiwifruit industry over nearly two decades. [Full article available here](https://www.stuff.co.nz/business/farming/104897179/free-trade-deal-with-europe-could-deliver-a-30m-windfall-for-kiwifruit-exports)

**Crop news**

* 1. **Land and tree stakes in short supply as Hawke’s Bay plants one million apple trees**

Hawke’s Bay growers are innovating to help deal with the demand for land and a shortage of tree stakes. About a million trees were expected to be planted across Hawkes Bay every year for the next five years. Trees are being planted in a new format in higher densities to optimise production from each hectare of land [Full article available here](https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12060533)

* 1. **Rising avocado prices - spike in thefts across New Zealand**

Due to rising avocado prices, there has been an increase in the amount of thefts in New Zealand. Orchardists are doing all they can to prevent people from stealing their fruit. Avocado Industry Council chief executive Jen Scoular said, "We are providing signage to say that avocado theft is punishable, trying to prevent it from happening in the first place." She said the orchards that are being targeted are the most accessible from the road or easy to drive into. [Tvnz.co.nz](https://www.tvnz.co.nz/one-news/news/rise-in-avocado-prices-sees-spike-thefts-across-new-zealand-orchards) reported how in some cases vans and trucks driving into orchards just "wack" the avocados from the tree onto a blanket and take away a couple of crates full. [Full article available here](http://www.freshplaza.com/article/197210/Rising-avocado-prices-spike-in-thefts-across-New-Zealand)

* 1. **North Island Māori secure record slice of kiwifruit market**

Three North Island Iwi-based entities have successfully purchased one of New Zealand’s largest kiwifruit portfolios. Te Arawa Group Holdings (Rotorua); Rotoma No 1 Incorporation (Rotorua), and Ngāti Awa Group Holdings (Whakatane) last week announced they are the new owners of Matai Pacific’s vast kiwifruit portfolio. The large-scale property deal includes three Bay of Plenty orchards covering a total of almost 100 canopy hectares.

The properties currently grow green (Hayward) and gold (G3) varieties in roughly equal percentages. When mature, the three blocks are expected to produce up to 1.3 million trays. [Full article available here](http://www.freshplaza.com/article/197209/North-Island-M-and-#257;ori-secure-record-slice-of-kiwifruit-market)

* 1. **Key investments leads to greater quality for a NZ pear grower**

New Zealand pear producers JR's Orchards have put an increase in production and an improvement in fruit quality down to their investment in crop protection and irrigation technology. 2018 production figures have been on par with other years but sizing and quality have been outstanding, especially with the Taylors Gold variety,.

They have installed monitors for soils moisture and temperature levels which take readings at half hourly readings and transmit the results to their Smart Phones allowing them to apply water when and where required. JR's Orchards have also invested in hail netting to ensure the fruit is protected from extreme weather conditions. *Fruit is supplied to Europe and for the domestic market.* [Full article available here](http://www.freshplaza.com/article/196961/NZ-Key-investments-leads-to-greater-quality-for-a-NZ-pear-grower)

**Other**

* 1. **T&G Global takes out MOYA 2018**

The T&G Global Marketing Team won the Marketer of the Year Award 2018 for the ‘Lotatoes Potatoes’ campaign announced at the Horticonnections conference . The Lotatoes Potatoes campaign centred around the launch of a new low-carb and low-calorie potato variety.  Extensive testing against two of New Zealand’s most common varieties (Rua and Agria) found Lotatoes to be a unique 40 per cent lower carbohydrate product that met the functional and health needs of its target audience.

Backed by a marketing plan focused on public relations activity, digital advertising and in-store POS materials, the Lotatoes offering was exclusively launched in Countdown supermarkets in 2017. Within the first month of launch, Lotatoes ranked in the top ten of all prepacked fresh potatoes in Countdown supermarkets nationwide, achieving 100 per cent distribution. The marketing campaign received global attention, resulting in product and brand enquiries from around the world, and a subsequent launch in Singapore. [Full article available here](http://www.fruitnet.com/asiafruit/article/175902/tg-global-takes-out-moya-2018)

* 1. **'Gisborne set to secede and form banana republic'**

According to the New Zealand Taxpayers’ Union, the government is engaged in literal banana republicanism as it uses taxpayer money to start a banana industry in Gisborne. “MBIE is spending $93,000 of taxpayers’ money to establish a banana industry in Gisborne. There are very good reasons New Zealanders eat imported bananas. Our weather puts us at a hopeless economic disadvantage when it comes to growing tropical fruit.”“While it may be technically possible to grow bananas in Gisborne, it should be done at the risk of private investors, not based on taxpayer subsidies. [Full article available here](http://www.freshplaza.com/article/197154/Gisborne-set-to-secede-and-form-banana-republic)

* 1. **NZ scientists chase dream of guilt-free hot chip**

The University of Otago Department of Food Science last week began trialling a "Pulsed Electric Field" processing machine, which it hoped could turn French fries into a healthier, environmentally-friendly snack option. The PEF machine uses microsecond-long pulses of electricity to alter the microstructure of uncut potatoes. This results in a more controlled release of sugar, a reduction in oil uptake and softening of the potato texture. This results in potatoes that are easier to cut also leading to reduced waste production. The same machine could be used on other vegetables. "[Full article available here](http://www.freshplaza.com/article/197224/NZ-scientists-chase-dream-of-guilt-free-hot-chip)

**Biosecurity**

* 1. **Fruit fly restriction zones in Tasmania to last another six months**

The fruit fly control zones in Tasmania's north will not be lifted until the end of the year at the earliest, according to Tasmania's peak fruit growers body. A 15-kilometre exclusion zone was established around Spreyton in Tasmania's north-west after fruit fly larvae were discovered in a backyard apricot tree in January. The zones around George Town and on Flinders Island remain in place with strict protocols for fruit and vegetable growers transporting their produce throughout the state. The State Government said the control area restrictions would be maintained until Tasmania was declared fruit fly free. [Full article available here](http://www.freshplaza.com/article/197402/Australia-Fruit-fly-restriction-zones-in-Tasmania-to-last-another-six-months)



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. ***Canada Retail Sector Overview*** - Canada is, by far, the largest overseas market for U.S. high-value, consumer-oriented products, with exports exceeding $16 billion in 2017.  Though the Canadian retail market is largely consolidated, the dominant major outlets and nearly 7,000 independent retailers provide excellent opportunities [Retail Foods\_Ottawa\_Canada\_6-26-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Ottawa_Canada_6-26-2018.pdf)
2. ***Food and Hotel India 2018 – Trade Show Announcement*** Food and Hotel India 2018 will take place from September 5 to 7 in Mumbai.  U[Food and Hotel India 2018 – Trade Show Announcement\_New Delhi\_India\_6-25-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Hotel%20India%202018%20%E2%80%93%20Trade%20Show%20Announcement_New%20Delhi_India_6-25-2018.pdf)
3. ***Indonesia MOA Revises Requirements on Horticultural Import*** The Ministry of Agriculture (MOA) recently issued a new regulation that eliminates the use of “harvest periods” as a basis to restrict horticultural product imports.  However, the regulation also gives the Director General (DG) for Horticulture new and expanded authority to consider “domestic horticultural production” when issuing import licenses.  Local importers believe the DG will use this expanded authority to continue to restrict the timing and quantity of horticultural product imports.  [MOA Revises Requirements on Horticultural Import\_Jakarta\_Indonesia\_6-26-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MOA%20Revises%20Requirements%20on%20Horticultural%20Import_Jakarta_Indonesia_6-26-2018.pdf)
4. ***Indonesia Retail Foods Update*** The growth of modern retail outlets throughout Indonesia provides significant opportunities for U.S. food products.  As Indonesia’s emerging middle-class continues to look outside of traditional markets for healthy and unique options, U.S. fresh fruit, processed vegetables, dairy, tree nuts, beef, non-alcoholic beverages and a variety of snack foods stand to benefit.  [Retail Foods\_Jakarta\_Indonesia\_6-25-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Jakarta_Indonesia_6-25-2018.pdf)
5. ***Italian Kiwifruit Overview 2017*** Italy is a world leading kiwifruit producer.  Approximately 73 percent of national kiwifruit production is exported, 20 percent is consumed domestically, and 7 percent goes to the industry ***...***[***Italian Kiwifruit Overview 2017\_Rome\_Italy\_6-19-2018***](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Italian%20Kiwifruit%20Overview%202017_Rome_Italy_6-19-2018.pdf)
6. ***South Africa Citrus Exports to the United States*** South Africa`s production of grapefruit, oranges and lemons/limes is estimated to increase in the 2017/18  [Citrus Semi-annual\_Pretoria\_South Africa - Republic of\_6-20-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Citrus%20Semi-annual_Pretoria_South%20Africa%20-%20Republic%20of_6-20-2018.pdf)
7. ***Turkey FAIRS Export Certificate Report*** This FAIRS Export Certificate Report for Turkey 2018 lists the major export certificates and other requirements expected by the Turkish government for food and agricultural products imports to Turkey. [Food and Agricultural Import Regulations and Standards Report\_Ankara\_Turkey\_5-29-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20Report_Ankara_Turkey_5-29-2018.pdf)
8. ***Turkey FAIRS Annual Country Report*** This report outlines specific requirements for food and agricultural products imports to Turkey. [Food and Agricultural Import Regulations and Standards Report\_Ankara\_Turkey\_5-24-2018](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20Report_Ankara_Turkey_5-24-2018.pdf)

**Regulatory**

* 1. **Tariffs could cause 40% drop in US agricultural exports to China**

The International Food Policy Research Institute (IFPRI) and the Chinese Agricultural Scientific Research Centre jointly announced the "2018 Global Food Policy Report" and the "Chinese Agricultural Industry Development Report" on June 26th. The reports show that the increased tariffs between the United States and China may cause the US share of agricultural export to China to drop by 40%.[Full article available here](http://www.freshplaza.com/article/197369/Tarrifs-could-cause-40-procent-drop-in-US-agricultural-exports-to-China)

* 1. **India to impose extra duty on US apples**

India has threatened to slap an additional 25 per cent duty on US apples with effect from 4 August – bringing the total duty to 75 per cent. The duty hike for apples is one of a raft of tariff increases, with close to 30 products from the US affected, including almonds and walnuts. A senior tax official reportedly told the Hindu’s BusinessLine that the duty had been announced in advance so that “there is room for negotiation, if required.” Importers predict US apple import volumes would drop significantly on the back of the announcement, especially since India’s domestic apple season is starting soon. “Other apple exporting countries will definitely gain from this decision. “

The notification of the duty increase on apple imports has caused confusion in the import trade and at Indian customs. The notification listed the 25 per cent tariff increase against the HS code for ‘fresh apples’ (0802 11 00) – rather than specifying apples of US origin, leading many in the trade to question whether the tariff increase applied to all Indian apple imports, not just those from the US.

Asiafruit understands Mumbai customs had begun charging 75 per cent duty on apple imports, regardless of origin, on Thursday. That reportedly followed a change to the apple import duty in the computer system, which is managed online. But one large importer said the issue was a “one-off case”, and that the incorrect duty was corrected by presenting an exemption notification to the customs officer. The Indian government is expected to publish a clarification in the coming days confirming that the duty applies only to apple imports from the US. [Full article available here](http://www.fruitnet.com/asiafruit/article/175915/india-to-impose-extra-duty-on-us-apples)

* 1. **Trump wants single federal food safety agency put under USDA**

President Trump wants to consolidate federal food safety under a single agency, housed in the U.S. Department of Agriculture. Former president Obama also wanted to consolidate food safety, only he preferred housing it in the U.S. Department of Health and Human Services (HHS) under the Food and Drug Administration. [Full article available here](http://www.hortidaily.com/article/44309/Trump-wants-single-federal-food-safety-agency-put-under-USDA)

* 1. **EU: Guidance on identifying endocrine disruptors published**

EFSA and the European Chemicals Agency (ECHA) have published their guidance on how to identify substances with endocrine disrupting properties in pesticides and biocides. The European Commission tasked EFSA and ECHA with developing harmonised guidance to ensure that the endocrine disruptor criteria adopted by the EU in 2017 are applied consistently for the assessment of biocides and pesticides in the EU. The guidance will be used for the assessment of biocides from 7 June. For pesticides, it will be used in the assessments of those substances for which a decision is scheduled on or after 10 November 2018. [Click here for more information.](http://www.efsa.europa.eu/en/press/news/180607)  [Full article available here](http://www.hortidaily.com/article/44258/EU-Guidance-on-identifying-endocrine-disruptors-published)

* 1. **Fiji: Cheaper imported fruit & veg**

The Fiji government has reduced the fiscal import duties on fruits and vegetables from five percent to 0 percent in the 2018-2019 National Budget. This is in support of ongoing efforts to encourage a healthier lifestyle, prolong longevity in Fiji and to combat non-communicable diseases. Zero duty has been applied to: apples, grapes, oranges, pears, kiwi fruits, strawberries, apricot, peaches, plum, grapefruit, raspberries, cranberries, pomegranate, carrots, mixed vegetables, celery, capsicums, mushrooms, asparagus, leeks, spinach, cauliflower, broccoli and Brussels sprouts. [Full article available here](http://www.freshplaza.com/article/197403/Fiji-Cheaper-imported-fruit-and-veg)

**Business**

* 1. **"Businesses need to start preparing for major shift in digital landscape"**

The world is on the verge of a major technological change and if businesses, including fresh produce, cannot keep up then they are going to struggle to survive, according to a leading Tech Futurist.

Chris Riddell told attendees at Hort Connections that digitalising a company does not simply revolve around new technology, a department, or a website but rather the cultural shift in creating a new “incredible” experience for your customers.

" Our ability to keep up with high speed change, will define our relevance in the future." He says innovations such as BotChain, or digital currency, is creating a frictionless and instant society, reducing the need for hard copy documents or physical transfer of funds. The "Internet of Things" creates online connectivity between mobile devices and everyday appliances .

But Mr Riddell says small businesses should not be as worried about other smaller businesses starting up in their market, but the larger companies who have the ability to make large investments in this technology. However technology is becoming cheaper and this opens up the opportunity for businesses to build a relationship with and the trust of the end consumer [Full article available here](http://www.hortidaily.com/article/44382/Businesses-need-to-start-preparing-for-major-shift-in-digital-landscape)

* 1. **Blockchain: myth or salvation?**

On a technical level, blockchain is very much a reality. Not only is the technology being used to underpin the cryptocurrencies we hear so much about, but a myriad of mature business sectors are beginning to investigate or even use blockchain in an attempt to solve some of their inherent challenges, such as achieving better traceability. Not surprisingly, the fresh produce industry globally is up to its armpits in such pilots, as are notable retailers such as Walmart, Carrefour and others. Blockchain, therefore, is most certainly not a myth but fast becoming a reality.

Does blockchain technology offer salvation when it comes to all the produce industry’s problems relating to traceability? It most certainly is not, yet it can be an incredibly effective tool for achieving transparency. Traceability has long been the nirvana the produce industry has been aiming to achieve in relation to food safety. For traceability to work, supply partners need to develop an openness and willingness to share data that is being reconfirmed at every physical step in the supply chain – and if just one supply chain participant is not convinced that it is in their best interest to share data, traceability will end up being compromised.

Blockchain technology is a smart enabler that can achieve transparency, given favourable conditions. To get to that point, the way existing business is being conducted will have to be adapted. Information that was previously considered proprietary will have to be shared. Data pipelines that run along produce supply chains must be running at least at the same speed as the product itself and in many cases even faster without data accuracy being compromised. This has consequences for process design and management, and signals the need for change.

Change is not something people are always instantly enamoured with. Yet without change, true transparency will continue to evade us. As long as the mind continues to be constrained by traditional business methods going back to the days of the abacus, blockchain technology cannot contribute to improving and future-proofing business models and their supply chains.If, and only if, reconceptualised business models can get underway and are sustainably maintained, blockchain technology will have a reasonable chance of heading in the general direction of wherever that ‘salvation’ label might eventually be applied.  [Full article available here](http://www.fruitnet.com/asiafruit/article/175909/blockchain-myth-or-salvation)

* 1. **Fresh produce industry needs foresight to adapt to technological change**

Australian digital fruit and vegetable wholesale market HiveXchange has urged the Australian fresh produce industry to start preparing to trade in the digital age. Damian George says as they stand today, in five years time, the current central markets will be unsuited to the population's needs and lifestyle because people are running time poor.

He drew comparisons with Kodak and the switch from film to digital camera technology, adding that the average Australian is spending five and a half hours a day on media, which is increasing dramatically, which creates plenty of potential. The HiveXchange recently expanded into the Asian market, realising the potential. He says Asia holds 60 per cent of the world's population, with the highest rate of growth and 3.6 billion internet users in the region.

The future is digital markets; smaller automated market hubs to receive and store fresh produce 24 hours a day, seven days a week, 52 weeks a year. That will decrease costs of transport, increase efficiency and add profit to the whole supply chain. Mr George says it is not about cutting out the middle man, but accessing better opportunities for better lifestyle throughout online trading.

[Full article available here](http://www.freshplaza.com/article/196869/Fresh-produce-industry-needs-foresight-to-adapt-to-technological-change)

 **China**

* 1. **FloraHolland Brings Global Cut Flowers to China**

Holland is at the centre of the global floral industry. And this leading role is embodied by [Royal FloraHolland](https://www.royalfloraholland.com/), the Holland-based cooperative of more than 4,000 growers. FloraHolland formally established an office in Shanghai in 2016 to serve as the base of its China import, distribution, sales and service business.

FloraHolland now concentrates on B2B activity and acts as a representative, distributor and logistics provider for FloraHolland members from around the world to sell product in China. Countries of origin include Holland, Kenya, South Africa, Italy, Columbia and Ethiopia. In 2017 FloraHolland opened new Dutch-standards cold storage and distribution facilities in Guangzhou and Beijing, in addition to its existing facility in Shanghai. Through this investment in distribution facilities and a focus on shortening the number of links between growers and retailers, FloraHolland hopes to pursue its overarching goal of delivering differentiated and top quality flowers to the Chinese consumer.

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The next step for FloraHolland is to launch a B2B flower sales platform that will allow international suppliers to list their product availability and prices for Chinese purchasers. The customers on the Chinese side will be able to use a Chinese-language interface and RMB payment to procure cut flowers from around the world. FloraHolland will handle the importing and logistics. [Full article available here](http://www.producereport.com/article/floraholland-brings-global-cut-flowers-china)



 **Sustainability**

* 1. **Anti-insect nets covering nectarines represent the reality**

In Italy covering crops with Insect nets is becoming increasingly popular. The coverage protects from and impedes access to insects such as Asian bugs and aphids in the first place, and to birds such as starlings and magpies. Cost ranges between 20 and 25 thousand euro per hectare. *This article also talks about a range of other initiatives two orchards have put in place to improve quality and sustainability* [Full article available here](http://www.freshplaza.com/article/196677/Anti-insect-nets-covering-nectarines-represent-the-reality)

* 1. **US: GlobalGAP supports stakeholders to meet FSMA requirements**

GlobalGAP has introduced a suite of three solutions to support its stakeholders with meeting the USA's Food Safety Modernization Act (FSMA) requirements as well as market expectations for Good Agricultural Practices certification through a streamlined audit and reporting experience.

These are the

* [GlobalGAP FSMA Produce Safety Rule Add-on](http://www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/fsma/)
* [Harmonized Produce Safety Standard (HPSS)](http://www.globalgap.org/uk_en/for-producers/globalg.a.p./harmonized-produce-safety/)
* [Produce Handling Assurance Standard (PHA)](http://www.globalgap.org/uk_en/for-producers/globalg.a.p./produce-handling-assurance-pha/)

[Full article available here](http://www.hortidaily.com/article/44255/US-GlobalGAP-supports-stakeholders-to-meet-FSMA-requirements)

* 1. **What is considered a farm under the FSMA Produce Safety Rule?**

The Food Safety Modernization Act (FSMA) Produce Safety Rule defines a farm by its activities of growing, harvesting, packing or holding crops. Let’s explore some of the small but challenging aspects of that very simple definition.. The definition of a farm can be a tricky business under the law, however, and bears a bit of exploration. Some businesses you may not think of as a farm are considered a farm under the FSMA definition. *This article looks at the definition of a farm and identifies that even a packhouse may be considered a farm.* [Full article available here](http://www.hortidaily.com/article/44140/US-What-is-considered-a-farm-under-the-FSMA-Produce-Safety-Rule)

* 1. **GM crop area at 190 million hectares worldwide in 2017,**

Total area under transgenic crops went up by 3 per cent globally in 2017 to nearly 190 million hectares (mha) from around 185 m ha in the previous year, according to a report by an organisation that tracks GM acreages around the world. This increase is due primarily to greater profitability stemming from higher commodity prices, increased global and domestic market demand, and available seed technologies, said the International Service for the Acquisition of Agri-biotech Applications (ISAAA) in the report.

According to the ISAAA report titled Global Status of Commercialized Biotech/GM Crops: 2017, India, where an area of 11.4 mha is under biotech crops, is fifth largest in GM cultivation after the US, Brazil, Argentina and Canada. [Full article available here](https://www.thehindubusinessline.com/economy/agri-business/gm-crop-area-at-190-million-hectares-worldwide-in-2017-says-isaaa-report/article24264806.ece)

** Innovation**

* 1. **Why Costco’s avocados will last twice as long**

Apeel Sciences has developed technology that can more than double the shelf life of fruit, helping consumers, retailers and the environment by cutting down on food waste. The company developed a powder that is sprayed on produce close the harvest and dried to create an extra layer of material to slow the rate of water loss and oxidation. According to Apeel Sciences, the initiative could help cut down on the USD2.6 trillion of food waste generate annually. Avocados would be the company’s first product to use the edible coating. [. Full article available here](https://www.fooddive.com/news/grocery--why-costcos-avocados-will-last-twice-as-long/525991/)

* 1. **Sweet cherries inhibit oxidative stress and inflammation**

A review of 29 published human studies, found that sweet cherries, rich in polyphenols and vitamin C, appear to offer health benefits to those with chronic inflammatory diseases. "Key findings from the review:

* Oxidative stress decreased – or antioxidant capacity increased – in 8 of 10 human studies. Markers that were altered included plasma, oxygen radical absorbing capacity, ferric reducing ability, total serum antioxidant status, plasma F2-isoprostane and lipid peroxidation.
* Inflammation reduction was apparent in 11 of 16 studies of cherry consumption.
* Healthy glucose regulation may result from sweet cherry consumption,  further studies are recommended to determine if findings translate to reduced risk of diabetes.
* An early study demonstrated that cherry consumption prevented attacks of gout, while another recent study found a 35% lower risk of gout attacks among those who consumed sweet cherry products over two days.
* Literature shows that regular consumption of sweet cherries can lower systolic and diastolic blood pressure; the result may be attributed to the resulting decrease of a potent vasoconstrictor compound and/or an increase of a vasodilator.
* In four studies, participants' quality and quantity of sleep improved, as did anxiety and mood.

[Full article available here](http://www.freshplaza.com/article/196749/Sweet-cherries-inhibit-oxidative-stress-and-inflammation)

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