

AUSTRALIA

Tasmanian cherry growers eye Cherry market in China

Tasmanian cherry growers were granted access to the China market last year, after the Premier brokered a deal with Chinese quarantine authorities during an earlier trade mission to Asia.

Australia has become uncompetitive internationally in a high value, labour intensive product like cherries. They've got a currency disadvantage, an import duty disadvantage and 10 to 15 times the labour cost disadvantage.

Tasmania produces less than 3,500 - 4000 tonnes of export cherries, which is negligible in the world scene. Their nearest competitor in Chile produces more than 20,000 tonne.



Almond consumption booms

According to the Almond Board of Australia, the estimated Australian almond harvest grew by 28,000 tonnes this year, up to 78,000 from 50,000 in 2012 due an overall increase in export tonnage this year.

The sharp rise in growth and demand has led to a rise in global almond prices, with the Victorian (VIC) farm gate almond value to A\$350m (US\$328.1). A concerted campaign on the health benefits of nuts has seen domestic consumption grow 20% from 2012 to 2013, while global almond consumption has seen a phenomenal 5 to 8% growth every year for the past decade.



CHILE

Fruit exports decline due to frosts and cold weather

Parts of Chile have suffered their worst frosts in 20 years, hitting production of almost all major fruit export lines. According to producers' federation Fedefruta, the hardest hit area is region VI where more than 55% of the acreage under production has been affected. In the Metropolitan region, 45% of the area under fruit crops has been hit and 40% in region VII.

Frost struck 35 to 61% of peach, nectarine, plum and cherry orchards, varying by variety. Kiwifruit vines were also hit with some 48% of acreage nationwide affected. Fedefruta also reports that 20% of grape hectares have been touched and there are instances of damage to pear and blueberry output.

EQUADOR

Agroban targets Chinese market

Ecuador is the largest banana exporter in the world by volume so China is moving in line with Ecuador's bid to ramp up banana exports to China. At the moment it has an 8% market share in China and is looking at ways to increase this share.

Ecuadorian banana corporation Agroban on trial basis will ship five containers of fresh bananas a week to a Chinese state-owned company until the end of December. Agroban representative Gustavo Marun hopes to reach an agreement to send 30 containers of bananas per week to the Asian nation.

Marun said dealing with a state-owned company enabled Agroban producers to access the Chinese market directly, without going through intermediaries. Agroban has 42 members located in different producing areas of the Guayas and Los Rios provinces, with a total area of 5857ha under banana plantation.



FRANCE

Nestle to shut frozen food plant in Paris

Nestle will shut a frozen food plant north of Paris after sales decreased due to a Europe-wide scandal that saw horse-meat find its way into processed products. The scandal started in January 2013, when traces of horse meat were found in frozen burgers sold in Irish and British supermarkets, sparked concern among French consumers and removed them off frozen foods.

The sales of ready meals were down by a quarter from a year ago, after falling 40% as an immediate outcome of the scandal, making the Beauvais plant un-economical, which produces meals under the Maggi brand. The plant closure will lead to 165 job cuts, but employees will be offered packages or new jobs at an ice cream factory on the same site that is set to expand.

INDIA

Syngenta to pilot protocol for seedless watermelon

Switzerland based agri-business major Syngenta is piloting projects that offer complete solutions for seedless watermelon in Maharashtra and is currently developing Proof of Concept for pilots on cotton, grape and potato.

Syngenta combined its two businesses – seeds and crop protection, and has been working on developing protocols for a variety of crops. These are aimed at giving farmers a complete end-to-end solution for crops (seeds, agri input and crop protection and their timing) to help them achieve better productivity and higher returns on investment.



Syngenta has just unveiled its MaxVeg solution for cauliflower, hot pepper and tomato in Maharashtra, Andhra Pradesh, MP and Karnataka, and will soon extend this to watermelon in Maharashtra as well.

The total acreage under the MaxVeg pilot is around 10000 acres. Seedless watermelon is under pilot stage in Maharashtra where they are offering growers on-farm and after-farm solutions by way of novel products linked to buy back at assured price through dedicated vendors. This will include popularizing them among Indian consumers through value chain players like super markets.

India soya meal export to go up

India will be able export as much as 5 million tonnes of soya meal in the year beginning, an increase of about 25% on the previous year, as it finds strong demand from Iran and Thailand.

India's soya meal exports compete with South American shipments in Asian markets, and 600,000 tonnes of deals have been signed for October to December.

The deals were signed for new season supplies in a wide price band of \$465 to \$530 per tonne as the Indian rupee was fluctuating sharply in the last month.

IRAN

Pakistan imports tomatoes

Pakistan has started to import tomato fruit from Iran. The price of Iranian tomatoes is lower than India and one estimate suggests that the price of Iranian tomatoes is lower in the local wholesale market than tomatoes being imported from India.

Iranian tomatoes take four to five days to reach Karachi, diminishing their quality, while Indian tomatoes can reach Pakistani markets in two to three

days. The price of tomatoes will also decrease down further in the coming days, as the supply of locally-grown tomatoes is set to increase in near future.



JAPAN

Baby milk producer Meiji suspends China sales

Japanese baby milk maker Meiji is suspending sales in China due to high costs and increased competition. Meiji, the producer of the Hohoemi and Step milk powder brands, going through slump.

Beijing imposed a ban on milk imports from Japan in 2010, when foot-and-mouth disease broke out in southwestern Miyazaki, but the company continued selling milk powder made in Australia. Japanese-brand baby formula became increasingly popular in China in the wake of a 2008 scandal, when local manufacturers were found to be bulking their product with an industrial chemical. Meiji's largest foreign milk powder market is now Pakistan, while it also sells in Taiwan and Vietnam.

NEWZEALAND

NZ suspends apple exports to China

New Zealand apple exports to China have been voluntarily suspended while the industry works with officials to resolve the issue of post-harvest rot, which was detected on three consignments of apples to China.

New Zealand's Ministry of Primary Industries said that the rot, which was caused by the fungus *Neofabraea alba*, does not pose a food safety risk, but has been identified as a quarantine pest by China for plant health reasons.

The New Zealand government and apple industry are working with Chinese quarantine officials to provide all the technical and scientific information about *N. alba* that they have requested. Representatives from MPI and the Ministry of Foreign Affairs have met with their counterparts from China's General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) in Beijing and discussions are ongoing.

"It is important that AQSIQ is given the technical information they need to assess the risk of the pathogen being

brought into China. These kinds of notifications happen from time to time in international trade, MPI and Chinese officials are working collaboratively to resolve the matter.

Chinese authorities have identified that the consignments came from a small number of production sites and pack houses in the Hawke's Bay, without being specific. They have requested that apples from those sites be suspended from exporting to China.



The New Zealand industry has responded by suspending all apple exports to China for the remainder of the season. The impact will be negligible because the season is virtually over, with only a few containers still on the water bound for export markets.

SWITZERLAND

Nestle sells 10% share of Givaudan

Nestle is selling its 10% stake in Swiss fragrance and flavor maker Givaudan for as much as 1.08 billion Swiss francs (\$1.20bn), as it concentrates resources on its core food businesses.

The company has cut its sales outlook earlier this year and said it would dispose of underperforming businesses to slim down its sprawling portfolio which spans Perrier bottled water, KitKat chocolate and Gerber baby food.

According to Vontobel analyst Jean-Philippe Bertschy, Nestle is confirming its intention of better allocating its capital. The proceeds could be used for bolt-on acquisitions or a share buyback.

There has also been market speculation in recent months about whether Nestle will sell a 30% stake it has in the world's biggest cosmetics firm, L'Oreal, when restrictions on selling it loosen in April 2014.

SPAIN

16% of Canarian agricultural acreage is now organic

Organic agriculture continues to make progress in the Canary Islands, while at the same time raising interest amongst producers, processors, traders and consumers. In the Canary Islands, more than 1,000 operators are devoted to organics, which corresponds to 16% of the Islands' agricultural acreage.

The Canary Islands have devoted 6,564 hectares to organic agriculture. From those, 5,210 are used for pasture and fodder cultivation, 451 hectares for vineyards, and 372 hectares for fruit, mainly bananas and avocados.

The island of El Hierro is where organic production has become more extended, with 4,597 hectares, from which 4,518 are devoted to pasture and fodder. It is followed by Tenerife, with 920 hectares; La Palma, with 343 hectares; Gran Canaria, with 298 hectares; Fuerteventura, with 202 hectares; Lanzarote, with 175 hectares; and La Gomera, with 26 hectares.

The Canary Islands, also known as the Canaries, are a Spanish archipelago located just off the northwest coast of mainland Africa, 100 kilometres west of the border between Morocco and the Western Sahara.

New machinery for the processing of pineapples

The island council of El Hierro, Spain, reported that the testing for recently acquired machinery for pineapple processing is showing good results. The new machinery will enable El Hierro's tropical pineapple producers to have access to new possibilities for the selling of this fruit, which has become the island's main intensive crop.

The main innovation introduced by the machinery is a peeler, which has been specially adapted to the format of El Hierro's tropical pineapples.



TAIWAN

Chip developed to test viruses in bananas, potatoes

Taiwan has developed a biochip that could detect several viruses in bananas and potatoes. The chip, co-developed by Chang Chin-an, a professor at Chaoyang University of Technology and Dr. Chip Biotech Inc., is expected to be released commercially in mid-2014, with annual sales projected at NT\$200 million to NT\$300 million.

"Our edge lies in being able to test for several viruses simultaneously," Chang said. The chip is expected to improve testing efficiency and reduce costs.

Chang stated that conventional test checks for one virus at a time and takes at least five hours, which is time-consuming and not very economical. Comparatively, the newly developed chip can simultaneously check for three viruses found in bananas and five in potatoes.

Around US\$200 million is spent worldwide annually to test bananas and potatoes for viruses by conventional means. A test for three viruses costs around NT\$360, but the biochip could reduce that by half.

Dr. Chip Biotech President Wang Shin-hwan said the feasibility assessment of the chip has been completed ahead of its commercialization and it meets test standards of the European Union.

UNITED KINGDOM

Tesco to curb food waste

According to UN Food and Agriculture Organization, a third of all food produced worldwide, some 1.3 billion tonnes worth \$750bn, is thrown out each year, along with water wastage.

Tesco is the first British retailer to reveal data on its food waste, which it put at 28,500 tonnes in the first half of the year. In total the Waste and Resources Action Programme estimates that UK wastes 15m tonnes of food each year.

Tesco, UK's biggest retailer has decided to cut nearly 60,000 tonnes of

food wastage by its suppliers and shoppers each year to help tackle a growing environmental problem.

"Families are wasting an estimated 700 pounds (\$1,100) a year and we want to help them keep that money in their pockets, rather than throwing it in the bin," revealed Matt Simister, Tesco's group commercial director for food..

Tesco will end multiple-buy offers on large bags of salad after data showed that 68% of all salad grown to be sold in bags ended up wasted. It is also cutting the amount of bread on display and sharing tips on how to use leftover loaves.

UKRAINE

Record low apple prices

Apple prices have reached the lowest levels since 2009 in Ukraine. Presently, prices of apples average UAH 3.50/kg (EUR 0.33/kg) in the country. Prices were 22% higher in November 2012 and 13% higher in the same period of 2011. Ukrainian growers say that the apple market is becoming stagnant. Demand for produce is extremely low in both the domestic market and foreign imports. Ukrainian exporters are unsatisfied with the quality of offered apples.

The same situation has been observed in other Eastern European countries. In particular, apple prices in Russia and Moldova have already reached last year's levels. Polish apple growers offer their produce at prices 20% less than in November 2012.

USA

European organic importer makes inroads in US

Seven years after opening an office in the United States, OTC USA has grown into one of the leading importers of organic fruit on the East Coast. This year they plan to further increase their presence by importing South African blueberries for the first time.

OTC, which has two offices in Europe, opened an American office because of the growing demand for organic produce.

During the economic crisis worldwide consumption of organic fruit and vegetables has grown every single year. The U.S. is an important market because of the market share on organics, and yearly growth continues to increase in the United States. With continued strong demand, securing organic produce to feed that demand might become a big issue.

VIETNAM

Vietnam grows fresh produce exports

Vietnam has registered a significant rise in its fresh fruit and vegetable exports for the first half of this year, which have risen by 46.7 % from the corresponding period in 2012.

According to data from the General Customs Department, this increase has taken export revenue for this produce to more than US\$724m for the first six months of 2013.



In the first half of September alone, Vietnam saw revenue of US\$35.6m from its fresh fruit and vegetable exports.

This comprises remarkable growth for the sector, particularly during a period when other agriculture industries are struggling with volume declines and lower returns.

Export turnover for vegetables alone is likely to exceed US\$1bn this year, with industry experts seeing further room of growth.

At the Asia Fruit Logistica in Hong Kong at the beginning of this month, Vietnamese exhibitors reportedly enjoyed considerable interest from distributors and retailers based in Singapore, China, the Middle East, the US and the UK.

Agriculture is commercializing rapidly in Asia

The Asian Development Bank (ADB) is of the view of that Asia's 350 million small farmers, with less than two hectares holding, has the opportunity to compete and thrive in modern food value chains.

They produce a large share of region's staple crops although small farms occupy only 40% of the total farm area.

ADB has observed rapid commercialization of agriculture in Asia. The main challenge lies in involving small, resource-poor farmers in this highly competitive process. The productivity growth of small farms over the past 35 years has been critical to Asia's food security and its success in poverty reduction.

The ADB report stressed upon an urgent need to revive growth in agricultural productivity and also address the increasing tangible impacts of climatic change on agriculture. There is observable evidence that rising average temperature, extreme heat events, rising atmospheric ozone levels, and other climate-related phenomena are already harming the agricultural productivity.

However it is possible to adapt to climate change through application of existing technologies for conservation agriculture. Also more efficient use of irrigation water will be critical, particularly in South and Central Asia.

Evaluation shows that investment in agricultural research has an enormous economic payoff, but it is a long-run process requiring sustained commitment from international and national research centres as well as the private sector.

The public sector can facilitate but cannot lead the process as modern agricultural value chains are almost completely driven by the private sector. However, efforts by the public sector will be required to build the necessary skills of small farmers and the supporting institutions and organizations and to reduce the transaction costs for smallholder engagement in value chains.

RUSSIA

Russia lifts ban on kinno imports

Russia has lifted an embargo on import of kinno from Pakistan. Minister for National Food Security and Research Sikandar Hayat Khan Bosan said Pakistan has succeeded in removing ban on the export of kinno within two-and-a-half months, which the Russian authorities take at least a year.

About the reason as to why Russia put a ban on import of kinno from Pakistan, Bosan stated that Russia had raised objections on 14 consignments due to issues related to Phytosanitary certification, although exact reasons are still unknown.

Pakistan had sent 1840 consignments of kinno to Russia last year, fetching about \$170 million by exporting 300,000 tonnes of kinno to Russia.

This year with the lifting of ban, export of kinno to Russia is likely to touch \$200 million, explained Secretary Ministry of National Food Security, Seerat Asghar.

The minister told that Pakistan had also signed a memorandum of understanding with Indonesia for export of kinno, and the first consignment had been dispatched. ♦

