



# COLDFACTS

## Welcome to New Members

*A special welcome to all new members who joined the association at the end of last year. This is the first issue of 6 Cold Facts publications which is published every second month up to the last issue in December.*

## The NZ Cold Storage conference & Exhibition 2021 location is CONFIRMED:

**Where:** Intercontinental Conference Centre, Wellington  
**When:** Sunday 15th - Tuesday 17th August.



**Sponsor and Exhibitor opportunities** will be available on a similar basis to what has been available at past conferences. 2021 sponsors/trade sponsor packs have been sent to all associate members and are also available on our website. The programme is currently being worked on and you will be sent your full conference packs over the next few months.

Adjacent to Wellington's waterfront, InterContinental Wellington is the most centrally located and experienced global five-star hotel in New Zealand's capital city. Take a short walk through the heart of the city to Wellington's iconic Cable Car; at the top is the expansive Botanical Gardens, the Carter Observatory and a fantastic view across Wellington just next to the Cable Car museum.

## An important notice from MPI to Cold Store members

Ministry for Primary Industries  
Manatū Ahu Matua



MPI Verification Services has been asked by MPI to assess all registered RMP Cold Store's Covid-19 readiness plans. There will be no extra costs incurred with this on site visit by VS, and will be conducted in conjunction with either Market Access visits or PBV audits where possible. It is NOT a pass / fail activity, but an observation of stores preventative measures at all Covid levels. Reports will be kept confidential to MPI.

## FEBRUARY 2021

## First of 2000 Pacific workers arriving from Samoa

Up to 2000 people from the Pacific region will arrive in New Zealand in the next few months; the first of Samoa's 780-strong workforce linked with the Recognised Seasonal Employment scheme recently landed in Auckland. The rest of the island nation's group will arrive on separate flights and will spend 14 days in managed isolation before travelling to different parts of the country to start work. Samoa has had no reported Covid cases since late last year and the country has yet to experience community transmission of the virus.

## NZ Cold Storage Website

Have you checked your internet listing recently? Have any of your contact details changed? Nothing stays the same forever so, if you need any changes to your listing send Jack an email with the required changes.

Domain name:

[www.coldstoragenz.org.nz](http://www.coldstoragenz.org.nz)

## New Zealand Red Meat Reaches Historic Export Levels

The New Zealand red meat sector exported \$9.2 billion worth of products during 2020, an increase of one per cent on the previous year, according to an analysis by the Meat Industry Association (MIA). Overall exports during the year reached historically high levels - and were seven per cent above 2018 exports (\$8.6 billion) and 21 per cent above 2017 (\$7.6 billion).

The results demonstrate that New Zealand's red meat exports have remained stable despite the challenges of the global

pandemic. That is great news for the New Zealand economy and for farmers. We have a diverse market portfolio and last year exported to 111 countries around the world.



There remains strong global demand for safe and natural high quality red meat during the pandemic. While exports to

Germany and the Netherlands decreased by eight per cent and 21 per cent respectively, the value of exports to all other top markets increased, including to the US, rising 20 per cent to \$1.9 billion, and to the UK, which was up seven per cent, to \$460 million.

Sheep meat exports rose by three per cent, to just over 400,000 tonnes, with China the top market, followed by the UK and US.

*Continued on Page 3*

## CAREL GLD: Refrigerant Gas Leak Detectors for fixed installations

The CAREL GLD series of gas leak detectors guarantee monitoring in rooms where there is a risk of gas leakages due to the installation of refrigerated units, providing prompt notification and thus ensuring cost savings by avoiding system stoppages.

### Features

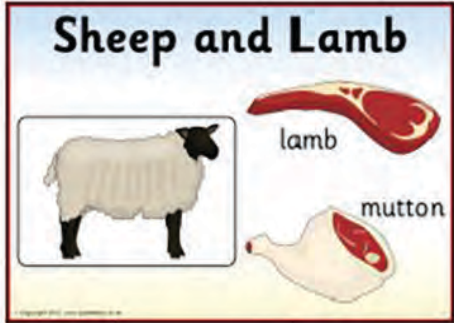
- Detects leakages of CFC, HFC, HFO and CO<sub>2</sub>
- Audible alarm ON/OFF
- Performance guaranteed down to -40°C
- Bluetooth connectivity
- User interface: dedicated app "RILEVA" for IOS and Android
- Safety relay ON/OFF



**EUROTEC** People • Technology • Solutions  
HVAC • Refrigeration • Electrical • Measurement

www.eurotec.co.nz • sales@eurotec.co.nz • Ph: 09 579 1990 • Auckland - Wellington - Christchurch

Continued from Page 2



Exports to the UK increased 10 per cent by value compared to 2019.

Beef exports rose in both volume and value, to 471,718 tonnes, worth \$3.7 billion, with the US the top market, up 42 per cent by value, to \$1.4 billion. Beef exports to China dropped by 26 per cent, compared to the record high levels of 2019, as other countries like Brazil increased their access to China. However, this was offset by an increase

in exports to most markets. During 2020, value-added halal processing continued to be a vital competent of the industry's business model. Nearly all New Zealand's export processing plants undertake halal processing, which allows them to export cuts from any animal to Muslim and non-Muslim customers around the world.

## What the China-NZ free trade agreement upgrade means

The New Zealand-China Free Trade Agreement, first signed in 2008, is a success story for both countries. It has opened up significant trade and economic opportunities and has been a catalyst for closer cooperation across a number of areas.

China is now New Zealand's largest trading partner. Two-way trade (exports and imports of goods and services) has quadrupled from \$8 billion to

over \$32 billion since the free trade agreement was signed.

Trade rules and business practices have changed significantly over the past decade. Against this backdrop, New Zealand and China agreed in November 2016 to launch negotiations to upgrade our free trade agreement to modernise it, further reduce barriers impacting exports, and boost trade.



Trade agreements create more security and certainty for New Zealand exporters. Upgrading our free trade agreement with China delivers on one of the pillars of New Zealand's Trade Recovery Strategy.

## Executive meeting

We are holding our first executive meeting on Tuesday 13th April.

If you have any issues or topics of interest you would like to be addressed by the executive, please let me know and I will add them to our agenda.

### Your Executive

<b>Bruce Mulligan</b>	bruce@northportcool.co.nz - President
<b>Dion Abrahams</b>	dion@woodlandmgt.co.nz - Vice President
<b>Tavita Sao</b>	tavita.sao@americold.co.nz
<b>Kevin Archer</b>	kevin.archer@fonterra.com
<b>Jeremy Putaranui</b>	Jeremy.Putaranui@anzcofoods.com
<b>Brent Cawthray</b>	brent@mancold.co.nz
<b>Mark Stevens</b>	mark.stevens@emergentcold.com
<b>Jack Bills</b>	nzcoldstorage@xtra.co.nz - Executive Officer

## UK Warned to Walk the Talk

The UK has been warned that it must prove its trade credentials if it wants to be a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Last week, the UK stated its intention to apply for membership of the CPTPP and the move was welcomed by Trade and Export Growth Minister, Damien O'Connor.

But the chairman of Dairy Companies Association (DCANZ) Malcolm Bailey says, while he welcomes the intent of the UK to join the group, he wants the New Zealand Government to send a strong message to the UK about how it must honour its commitment to global trade. In other words, walk the talk.

Bailey says before being admitted as the first nation outside the trans-Pacific region to benefit

from CPTPP, the UK must fully embrace free trade.

He says the UK's application to join CPTPP of its interest in advancing global trade liberalisation. But he says the real test of UK trade leadership comes from how it honours its existing commitments and what it is prepared to put on the table in negotiations.

Despite the UK's strong statements of ambition, including for a high-quality UK-NZ FTA, we are yet to see it remedy concerns about diminished quota access following Brexit and we have detected hesitancy on its part to bringing real liberalisation to the FTA negotiating table," he says.



*Continued on Page 5*



DESIGN SMART BUILD STRONG

## DELIVERING PRODUCTIVE WORKING ENVIROMENTS

Agri Houses  
Cold Storage  
Industrial  
Warehousing  
Food Processing



*Continued from Page 4*

Bailey says the NZ dairy sector is placing priority on the UK-NZ FTA agreeing an end-point of comprehensive tariff elimination for all dairy products. He says this would put New Zealand dairy exporters on par with European exporters in terms of the level of market access they have had into the UK market for nearly 50 years.

One of the key negotiating points, as it is with all our export markets, is for our dairy, sheep and beef exporters to avoid paying huge tariffs to access British consumers.

“The challenges facing the global trade and economic environment have been compounded by Covid-19. NZ sees the CPTPP objective of maintaining and growing open, rules-based trade, as more important than ever.

“We believe the CPTPP can provide leadership in our region and beyond to drive post-Covid economic and trade recovery. The UK’s move to join the CPTPP underlines the agreement’s importance in this regard.” The United Kingdom is New Zealand’s sixth largest trading partner, with two-way trade

of almost NZ\$6 billion in 2019. The CPTPP is an 11-member trade agreement involving New Zealand, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, and Vietnam.

## Dream start for dairy prices

**Dairy farmers can expect a lift in the forecast milk payout if dairy prices continue to climb.**

*Continued on Page 6*



**tru-gard™**

*Making workplaces safer*

**Protect personnel and valuable assets around your cold store with Tru-Gard™ steel safety systems.**

- ✓ Certified Barrier Systems
- ✓ Certified Safety Bollards
- ✓ Hand Rail Systems
- ✓ Pallet Racking Protectors and more...

**Contact Tru-Bilt Industries today!**

**TRU-BILT®**  
INDUSTRIES

www.tru-bilt.co.nz  
Phone: 0800 144 999  
Email: info@tru-bilt.co.nz

NATIONWIDE  
AUCKLAND WELLINGTON  
CHRISTCHURCH DUNEDIN

*Continued from Page 5*

Last week's Global Dairy Trade (GDT) auction, the first for 2021, recorded solid gains in whole milk powder (WMP) and fat product prices, building on gains in the two December auctions. WMP prices, used by Fonterra to set its payout, sit at a 12-month high of US\$3306/metric tonne.

Last month, Fonterra narrowed its forecast payout range to \$6.70-\$7.30/kgMS.

ASB lifted its forecast to \$7/kgMS. ASB senior economist Chris Tennent-Brown notes that last week's GDT price rise built on gains of December that led to the bank lifting its forecast price.

He says WMP prices have now edged comfortably ahead of where they were a year ago.

"The contract curve remains flat and stable, so price gains aren't being driven by short-term

supply fears," he told *Rural News*.

While most countries are still dealing with waves of Covid-19, China's economy is bouncing back after weathering the Covid storm. Fonterra said last month that China was continuing to recover well from Covid-19 and this was reflected in recent GDT auctions.



The co-op noted a strong demand from Chinese buyers for WMP.

"The impact of Covid-19 continues to play out globally, and we continue to have a watchful eye on the increasing Northern Hemisphere milk production and New Zealand dollar," said Fonterra

chief executive Miles Hurrell.

"However, we have contracted a good proportion of our sales book for this time of the season,

*Continued on Page 7*



**CTI** CALIBRATION TECHNOLOGIES INC.  
GAS DETECTION SPECIALISTS

## Ammonia Gas Detection

### What's Lurking Behind Your Doors?

Protect your personnel from entering potentially dangerous areas with the CTI Entrance Monitor.

- ◇ At-a-glance visual indication of gas concentrations
- ◇ Single channel
- ◇ Onboard 8A relay with adjustable alarm setpoint
- ◇ Large 3" diagonal LCD display operates down to -40°C
- ◇ Electronics are potted to protect against water damage and corrosion
- ◇ Industry standard linear 4/20 mA input and output
- ◇ Watertight IP68 enclosure designed for washdown areas and outdoors
- ◇ Works as a stand alone device or as a feed through to any 4/20 mA controller

[www.ctiengineering.com](http://www.ctiengineering.com) | [sales@ctiengineering.com](mailto:sales@ctiengineering.com)

*Continued from Page 6*

which has given us the confidence to narrow and lift the bottom end of the forecast farmgate milk price range.” New Zealand milk production also impacts GDT prices; a drop in production can spark supply fears.

**New Zealand dairy farmers deserve credit for premium prices fetched around the world for their milk, says Fonterra chief executive Miles Hurrell.**

He says New Zealand butter and skim milk powder are attracting premiums of \$500/tonne more than European products right now and it’s all down to the sustainability credential of NZ milk. “Our pasture-based systems, our high standards on animal welfare and our

sustainability stories are starting to be recognised around the world,” Hurrell told *Rural News*.



He says countries are willing to pay a premium price for NZ milk because they are beginning to see and hear about what our farmers are doing. Last week’s Global Dairy Trade results reflect

the demand for NZ products: anhydrous milk fat (AMF) prices jumped 17%, skim milk powder (SMP) 7% and butter 4.6%. AMF and SMP are mixed to make reconstituted full cream milk in some countries.

Westpac senior agri economist Nathan Penny says milk fat prices are on a boom. He says that AMF and butter prices have both surged over the last four months; AMF and butter prices have jumped a whopping 38% and 44%, respectively. This is a key development as it demonstrates that demand for products consumed in restaurants and other food service settings has returned. Commentators also agree that demand for dairy products is likely to hold

*Continued on Page 8*



## SOUTHWARD shelving & racking solutions

STOW ATLAS® 2D

HIGHLY EFFICIENT AUTOMATIC STORAGE SHUTTLE SYSTEM



Watch the STOW Atlas 2D shuttle in action here!

NZ Distributors of STOW Storage Equipment

[www.southward.co.nz](http://www.southward.co.nz)

*Continued from Page 7*

up well, through to the end of the season.

ASB economist Nat Keall says solid purchases from China have anchored price gains at recent auctions. With the latest Chinese gross domestic product figures showing a decent lift, there is little reason to think that story will change.

BNZ's Doug Steel adds that soaring feed prices for Northern Hemisphere farmers could impact milk production, thereby applying more upward pressure on milk prices.

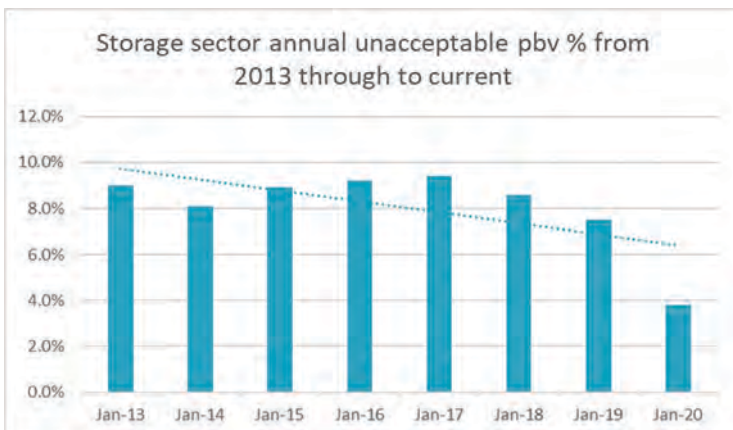
Steel says corn and wheat prices, which constitute as feed input costs for European and American farmers, could affect milk output. In New Zealand, there is also some concern about dry weather impacting milk production. Steel notes that a weakening NZ dollar will also boost export returns.

## MPI Storage sector compliance data

### Performance based verifications (PBV) - performance

In the calendar year 2020 the store sector received 513 performance-based verifications (PBV). 14 of these were unacceptable. This gives an unacceptable percentage of 3.8%.

Graph 1 shows the change in the storage sector annual unacceptable PBV percentage



### Ceiling step percentage - risk

Point in time analysis.

On the 2nd of Feb 2021 VS had 181 active stores.

### Next Season

While this season's milk price is soaring, there are some concerns about what next season may have in store for farmers.

BNZ's Doug Steel believes the weakening NZ dollar and growing global demand sets up well for next season. While he admits there's a long way to go, Covid could also end up helping push prices up.

With NZ offering safe products, Steel says more buyers are willing to pay a premium for NZ milk. However, the NZ currency could play a bigger part in setting next season's payout.

ASB's Nat Keall says given Fonterra's hedging policies and the timeframes involved, the flight of the kiwi dollar will have little influence on the final farmgate price for this season.

156 of the 181 were on the ceiling step which gives a ceiling step (risk) percentage of 86.2%. Note the higher the percentage the lower the risk. The average Circuit sector percentage for the same date was 81.1%.

### Corrective action requests (CAR)

In the calendar year 2020, 58 CARs were issued to the storage sector

Table 1 shows topics identified

Storage sector CAR topics for 2020		
Topic	Count	Percentage
Dairy	1	2%
Design & construction	3	5%
Documentation & Certification	12	21%
Hygiene & Sanitation	4	7%
Identification, Traceability	6	10%
Overseas Market Access	2	3%
Repacking	1	2%
Quality Assurance (Managing you own compliance)	29	50%



## Cargoes again stranded at Chinese ports due to Covid-19 measures

As the Covid-19 pandemic continues to develop globally, China repeatedly reported the discovery of Covid-19 virus in imported frozen food packaging and has strengthened testing for this matter. As a result, large volumes of fruits and other cargoes are stranded in Dalian Port, putting more pressure on the shortage of refrigerated containers and threatening the global supply chain. Freight forwarders, consulting companies, and shipping companies reported that hundreds of containers were stranded at the import port in Dalian because the local supervisory authorities had to test fish products before allowing customs clearance. As refrigerated containers were diverted to other ports in China, Shanghai and Qingdao ports also experienced congestion.



## Traceability, from teat to teat

Interlogic provides Warehouse Management Systems for traceability from source through manufacturing, distribution and shipping to consumer ready finished products.

When Oceania Dairy were looking for a world-class WMS they found the perfect solution just over the fence and not overseas, providing full traceability and inventory management from Milk Powder to Baby Formulas on supermarket shelves.

- Manages sampling, testing and release to ensure quality control
- Manages MPI Eligibility Documents for compliance
- Inventory Ownership for 3PL manufacturers

If you have products to make, move, distribute and ship, call us at:

09 414 1104  
[team@interlogic.co.nz](mailto:team@interlogic.co.nz)  
[www.interlogic.co.nz](http://www.interlogic.co.nz)



Ralph Leszczynski, research director of shipbroker Banchemo Costa & Co., said, “China may be the only country in the world that claims that Covid-19 can be transmitted through frozen food, which may greatly affect the waiting time of containers at ports.” According to the WHO, there is no evidence that humans can be infected with the virus through food or food packaging.

## Crown and kiwifruit sector plaintiffs settle long-running litigation over Psa

The Crown and kiwifruit sector plaintiffs have reached an out of court settlement to the long-running litigation arising from the 2010 incursion of the kiwifruit vine disease, Psa.

The plaintiffs, Strathboss Kiwifruit Limited, representing a group of kiwifruit growers, and Seeka Limited, a post-harvest operator, and others, have agreed to accept a Crown offer of \$40 million, which includes a significant contribution from the Crown's insurers of \$15m. The plaintiffs had brought a claim for \$450 million plus interest.

The claim related to actions taken by the then Ministry of Agriculture and Forestry and pre-dates the establishment of the Ministry for Primary Industries.

Ministry for Primary Industries Director General Ray Smith says all parties agree that it is time to move on and bring a close to the legal challenges that have been running since 2014, when the claimants filed against the Crown for what they alleged was actionable negligence in allowing Psa into the country.

“This payment to settle is a sensible one on a per head basis given the number of claimants in the class action, and their legal and litigation funder costs.

“But the settlement acknowledges the grievance felt by the kiwifruit sector plaintiffs.”

“It is good that all parties can now move on from this event which goes back 11 years.”

“Since that time, much work has been done to enhance and improve the way we manage pre-border risk, import processes at the border and incursions that inevitably occur.”

## Total venison exports up in 2020:

With mass Covid vaccination programmes underway, DINZ venison marketing manager Nick Taylor expects dining restrictions will ease across major markets in time for this year's chilled season.

Restaurant closures and a near-absence of tourists, especially in Europe and North America, are continuing to put a damper on returns to farmers. But on the positive side, lower prices have been a lubricant for sales, with venison exports in the 2020 calendar year up 3.3 percent on 2019, from 11,404 tonnes to 11,781 tonnes.

Venison exports for the 2020 calendar year reached \$NZ73 million, a 30% increase on 2019



The calendar year figures are not very meaningful, because of the timing of the velvet season. However, it is interesting to note that the average export price last year was \$97.65 a kg, up from \$83 a kg in 2019.

### Jack's CORNER



Well that's another year gone and what a year it was! Since last August we have been able to lead a Covid free life style that is the envy of the world. That was until midnight last Sunday...



Now the talk is all about lockdowns, travel restrictions and special news briefs. So far compared to the rest of the world we have been able to dodge a deadly bullet. But, this recent community transmitted case is perhaps a timely reminder on just how lucky we have been so far and just how imperative it is that we remain even more vigilant. The quicker we can get everybody vaccinated the better!