

AUGUST 2020

## Jack's CORNER



Because of Covid-19 we couldn't have our normal conference this year. From the emails that I have received from members it is obvious that many of you have really missed this. After all this is our one big chance during the year to catch up with old friends and associates. All going well we will have a chance to make amends next year in Auckland. While we hated making the decision to cancel...the recent Auckland lockdown has made us realise how lucky that we did. We would have been right in the middle of trying to run the conference!

When I reflect back on the year since the start of Covid-19 and all the bad news that dominates our media, I can understand why so many succumb to depression. We certainly have a long way to go and there will be some really tough months ahead for particular industry groups. However, you only have to scratch the surface and look a bit deeper and it is hard not to realise just how lucky we are. As an association heavily involved in the food industry we are privileged and very lucky to be in a position that is critical to our recovery. Without cold storage our exports of meat, dairy and horticulture products would be non-existent. But, even though we are in a much better position than most countries...recent events have clearly shown that **"It's not over yet"**



## Red meat exports record seven per cent increase year on year

New Zealand's red meat sector exported \$9.4 billion of sheepmeat, beef and co-products for the year ending June 2020, according to the latest analysis by the Meat Industry Association (MIA). Despite the disruptions caused by the COVID-19 pandemic, the sector saw an increase of \$639 million - or seven per cent - compared to the year ending June 2019.



China remained the largest market for the year ending June 2020, accounting for \$3.7 billion of New Zealand's red meat exports. This was an increase of 24 per cent on the previous June year - and was partly driven by China's demand for red meat protein as a result of the impact of African Swine Fever.

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Exports to the next two largest markets, the United States and the UK, remained buoyant, at \$1.7 billion (down one per cent) and \$453 million (down three per cent) respectively. Exports to Japan rose by 15 per cent, to \$418 million, and Taiwan was up seven per cent to \$299 million.

The volume of sheepmeat exports fell slightly for the year, by three per cent, to 386,250 tonnes but strong global meat prices saw the overall value of these increase by four per cent to \$4 billion.

Beef export volumes increased by two per cent for the year, to 460,170 tonnes and the value of these overall increased by 15 per cent, to \$3.8 billion.

Co-products also continued to be an important source of revenue for the industry, with exports worth \$1.6 billion, largely unchanged from the previous year.



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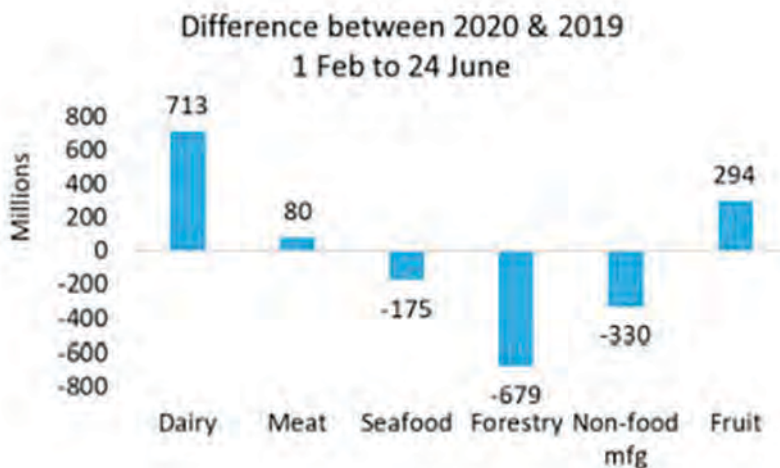
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## Agriculture keeps on keeping on

Much of New Zealand’s economy might still be spluttering from the fallout of Covid-19, but exports of meat, dairy and horticulture products have been surging along in fine pre-pandemic fashion. According to a report by the [New Zealand Institute of Economic Research](#), agricultural export revenue from February 1 to June 24 this year is up nearly \$1 billion on the same period last year - impressive results given the economic upheaval around the world and protectionism that’s unfolding in certain countries. While forestry, seafood and manufacturing exports were knocked to the mat and still haven’t recovered, dairy, meat and horticulture are up a spirited \$713m, \$80m and \$292m respectively.



Source: Statistics NZ

NZIER principal economist and author of the report Chris Nixon has credited the resilience of agricultural exports in part to New Zealand’s image as a source of clean, high-quality products and trusted institutions. With doubt and fear spreading as prolifically as the virus, it seems New Zealand’s brand is increasingly becoming a symbol of stability where overseas consumers know and trust what they’re getting.

However, it’s the enduring appetite of the Asian market - particularly China - that continues to drive the demand for New Zealand’s goods. Since 2017, China has been New Zealand’s largest trading partner. In the year ending December 2019, 23% of New Zealand’s total goods and services exports and 16% of imports by value were with China.

A telling point raised in the NZIER report is that no matter how much New Zealand relies on trade with China now, it is dwarfed

by the dependence on the UK earlier in the 20th century.

Of course, the longest shadow stretching over all of this is the pandemic, and how much it cripples economies across the world. “The continued persistence of Covid-19, particularly in the US and the United Kingdom, is a concern. How this plays out is very uncertain. It may affect US consumption of retail goods which could impact on Asian demand and, so, incomes. This means that they may have less to spend on New Zealand products and services,” the report said.

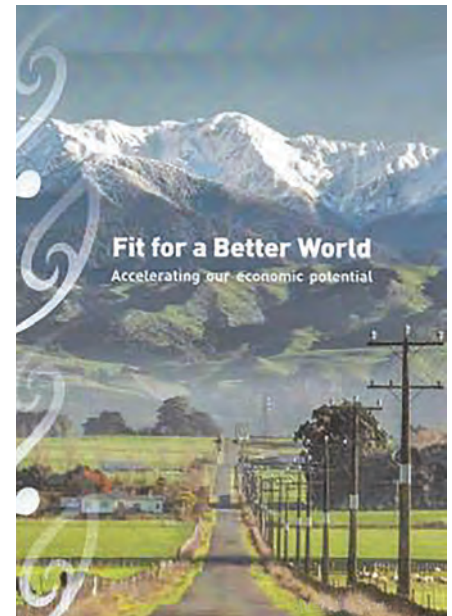
[Full article available here](#)

## Govt launches bold primary sector plan to boost economic recovery

The Government has launched a bold plan to boost primary sector export earnings by \$44 billion over the next decade, while protecting the environment and growing jobs. Prime Minister Jacinda Ardern released **Fit for a Better World - Accelerating our Economic Potential**, a 10-year roadmap to unlock greater value for a sector vital to New Zealand's economic recovery.

*The Fit for a Better World Action Plan* centres on three themes:

- **Productivity:** adding an additional \$44 billion in export earnings over the next decade through a focus on creating value.
- **Inclusiveness:** employing 10 per cent more New Zealanders from all walks of life in the food and fibre sector by 2030, and 10,000 more New Zealanders in the primary sector workforce over the next four years.
- **Sustainability:** reducing our biogenic methane emissions to 24-47 per cent below 2017 levels by 2050; and 10 per cent below by 2030. Plus restoring New Zealand's freshwater environments to a healthy state within a generation.



*The Fit for a Better World Roadmap* spells out practical ways for the sector to fetch more value, create more jobs and bolster our green reputation in a global pandemic environment to ensure New Zealand builds back better, together.

Agriculture Minister Damien O'Connor said the sector's ability to record 4.5 per cent growth to about \$48 billion of exports in the past year despite COVID-19, highlighted demand for our top-quality products.

The Fit for a Better World Roadmap is available here and definitely worth a look:  
<https://www.mpi.govt.nz/dmsdocument/41031>

## Global Cold Storage Capacity Report 2020

### Introduction

This report provides data on refrigerated warehouse capacity in 51 countries using information collected from international offices of the Global Cold Chain Alliance (GCCA). The primary data source was a survey administered between January and May 2020.

### Summary of the Findings

The total capacity of refrigerated warehouses worldwide was 719 million cubic meters in 2020, 16.7% greater than the capacity reported in 2018. The increase in reported capacity since 2018 was largely from North America, India and China. The United States, at 156 million cubic meters, was the

single largest country market, followed by India at 150 million cubic meters and China at 131 million cubic meters.

The urban population is used in this benchmark because it is expected that those with middle-class income concentrate in these areas.

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In developing country markets, the middle-class and high-income consumer segments support the demand for refrigerated and frozen foods, which ultimately drives the refrigerated warehouse service industry.

There are two classifications of business models: warehouses available to multiple users on a for-hire basis and those operated by a food company exclusively for that company's use.



### Conclusions

The three largest country markets—the United States, India, and China--accounted for 60.8% of the global total of refrigerated space. Based on the findings for 2020, Mexico, Brazil, and China had the the largest unmet need for refrigerated warehouse space.

Beyond continued increased demand based on consumer's buying power, the recent COVID-19 pandemic has caused various disruptions in the food supply chain highlighting the critical role for cold storage capacity.

Despite challenges, now more than ever, cold chain capacity and logistics will play a critical role in ensuring that safe, high quality food reaches all consumers. Let Jack Bills know if you would like to receive a full copy of the report.

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## Innovative solution to the problem of 'sweaty kiwifruit'

A Te Puke packhouse has found an innovative solution to the industry-wide problem of 'sweaty' kiwifruit; a problem that arises when gold kiwifruit are taken out of temporary cold storage to be labelled and packed. Because the outside air is warmer, condensation forms on the skin of the fruit, causing it to "sweat" and making attaching a label a tricky affair. And while that might not sound like such a big deal, it's caused headaches all over the industry.



The problem only affects gold kiwifruit and not green, as gold lacks the fur which helps labels stick to it. Jackson Engineering created a system that created an environment in the packing hall where it's a very, very dry environment. This means the kiwifruit can be taken out of cold storage and handled and graded and the labels put on in an environment that's so dry that they won't sweat - there's no moisture in that environment at all. There's insufficient moisture in the environment to allow them to sweat and then the labels stick.



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## Looking forward with NZ Trade and Enterprises's chief executive

There is a massive opportunity in front of us to capture premiums. Without doubt, our brand story is at an all-time high at the moment because of what we've done with Covid. NZTE chief executive Peter Chrisp says the impact of New Zealand's Covid-19 lockdown had immediate consequences for its customers – New Zealand exporters.

When New Zealand entered the alert level four

lockdown phase, one of the immediate issues Chrisp's team needed to face was how to support airfreight. NZTE co-ordinated around 200 charter flights to key export markets, including Shanghai, Los Angeles, Tokyo, Singapore and Australia:



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## Carel Cold Watch Trapped Personnel Alarm Kit

The trapped personnel alarm kit is a safety system for low temperature cold rooms. The person trapped inside the cold room can press the emergency button to ask for help, and a siren ensures audible and visible signal outside, where the permanent presence of a person is guaranteed.

### The kit includes:

- Control unit to be fixed outside the cold room (with n.o. alarm relay), provided with siren to alert about alarm.
- Backup battery housed inside the control unit, supplies power in the event of blackouts (12Vdc, 10h life time).
- Emergency button to be installed inside the cold room. The LEDs that light up the emergency button are permanently on.



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“NZTE is working on strengthening New Zealand’s brand in priority markets by maintaining, promoting and broadening New Zealand’s brand appeal, particularly while the tourism sector is recovering. Chrisp said it will re-emphasise New Zealand’s reputation for safety, trust, resilience, ingenuity, sustainability and high-value goods and services using the highly successful New Zealand Story strategy.

[Full article available here](#)

## Joint Ministerial Statement: New Zealand-Australia trade talks

Senator the Hon Simon Birmingham, Australian Minister for Trade, Tourism and Investment and Hon David Parker MP, met virtually on Thursday 23 July to conduct annual Closer Economic Relations discussions between two of the world’s most integrated economies.

Both ministers reinforced Australia and New Zealand’s proud history - and ongoing efforts - in

promoting and defending trade and investment liberalisation and confronting protectionism. As the impacts of COVID-19 threaten global supply chains, Ministers resolved to identify concrete action to alleviate the impact of COVID-19 on essential supplies.

Ministers also committed to strengthening bilateral cooperation to reinforce the rules-based global trading system, and to agree on new ways to minimise any adverse impacts from trade measures in future health emergencies, for the benefit of both countries and economies around the world.

Ministers Parker and Birmingham reiterated the call by the Australian and New Zealand Prime Ministers at their February 2020 meeting reaffirming the role of the Single Economic Market (SEM) agenda and the Closer Economic Relations (CER) agreement in driving prosperity in both countries. They reiterated the importance of initiatives that improve the trans-Tasman operating environment for small business in particular, given the importance of each market to the other’s small exporting businesses. [Full article available here](#)

# MPI Update



## Internal Technical Memo

Subject:	Changes in the Risk Management Programme (RMP) template for Cold and Dry Stores
Sector:	Stores (Circuit)
From:	Josh Rajkumar   Senior Adviser, Animal Products Peter Brown   Specialist Advisor, Agency Technical Team
To:	Marion Castle   Acting Manager Animal Products Joanne Thomas   Manager Agency Technical, MPI VS Maree Zinzley   Manager Approvals, MPI Approvals Approvals Diane Finn   Manager Systems Audit, MPI Systems Audit
Date:	04/08/2020
Memo Number:	2020/Stores/AP002
Other associated documents:	This Technical Memo replaces the Technical Memo 2020/Stores/AP001 published on 12th May 2020.

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## **OUTCOME:**

Following the publication of the [Guidance Document: Can I include non-animal product foods in a Risk Management Programme?](#) in February 2019, New Zealand Food Safety has allowed processing of non-animal product foods to be included in a Risk Management Programme (RMP).

This Technical Memo provides clarification on the storage of non-animal product foods in an RMP which is covered in section 4.5 of the 2006 [RMP Template for Cold and Dry Stores](#).

RMP operators that are using the 2006 template will need to amend their RMP, by following appropriate steps, to include this additional procedure. New businesses wanting to use the 2006 template to register an RMP and include storage of non-animal product foods can do so, provided the additions to the RMP template are evaluated by a recognised RMP evaluator unless evaluation is waived by MPI.

This change is effective immediately. The RMP template is being reviewed and likely will include storage of non-animal product foods and industrial use (e.g. animal products not intended for human or animal consumption) in the future so that evaluation will not be needed when it is introduced.

## **RMP OPERATOR GUIDELINES:**

RMP operators using the RMP Template for Cold and Dry Stores can include storage of non-animal product foods within the scope of the RMP. The RMP operator will need to amend the scope of the RMP to include storage of these foods and must include an assessment that shows any new and/or existing hazards are appropriately managed. For a full list of what the RMP operator should consider, refer to section 3 of the [Guidance Document: Can I include non-animal product foods in a Risk Management Programme?](#)

If the amendment to the RMP is considered significant, the RMP operator will need to get the amendment evaluated. They will need to choose an RMP evaluator who has the appropriate technical expertise to evaluate these products, or work with an RMP evaluator and a separate technical expert.

In some cases, the RMP amendment may be considered a minor amendment and would only require notification to MPI. For example, addition of chilled storage of non-animal product foods (e.g. boxes of packed fruits) to an existing RMP Template registered premises that includes chilled storage of animal products (e.g. boxes of packed fish fillets) may be considered a minor amendment and could be granted a waiver from evaluation. When seeking an exemption from evaluation the RMP operator will need to justify how the additions to the RMP template do not introduce new risk factors, and do not adversely impact on existing risk factors or control measures.

For additional examples on what constitutes a significant or a minor amendment, please refer to section 7 of the [Guidance Document: Can I include non-animal product foods in a Risk Management Programme?](#)

Conditions may be imposed on the registration, for example a verification audit to take place before the non-animal product foods may be traded and/or exported.

Note: The RMP operator may also seek advice from their verifier.

## **REFERENCES:**

Animal Products Act 1999 (APA) section 17(5)  
[Guidance Document: Can I include non-animal product foods in a Risk Management Programme?](#)

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## **BACKGROUND:**

Section 17(5) of the APA was amended by the Food Safety Law Reform Act 2018. This allows for an RMP to contain, as a component part, an appropriate Food Control Plan (FCP) within the meaning of the Food Act 2014 or components of a National Programme (NP).

The development of this technical memo supports existing 'Ease of Business' initiatives and provides options for RMP and FCP/NP businesses towards a 'one plan, one verifier' model.

This technical memo provides options for RMP businesses who want to manage food safety of non-animal product foods within an RMP. This guide is most applicable for food businesses who are seeking to use similar processing methods (e.g. transporting, canning, cold storage, etc.) for animal product foods regulated under the APA and non-animal product foods under the Food Act.

## **RMP operators currently using the RMP template for Cold and Dry Stores**

Section 4.5 of the RMP Template for Cold and Dry Stores currently states 'non-animal food products (e.g. vegetables and fruit products) are stored within the physical boundaries of the RMP, but they are excluded from the RMP and are covered under the Food Act (i.e. Food Hygiene Regulations or Food Safety Programme'. The Food Hygiene Regulations 1974 and Food Act 1981 have been revoked and replaced thus no longer exist.

## **RMP operators to amend the scope of the RMP to include storage of non-animal product foods**

RMP operators will need to document:

- any regulatory and/or operator-defined limits for the proposed non-animal product foods;
- any additional pre-requisite programmes that may be required to apply good operating practices;
- hazards introduced and how they are managed (e.g. revised HACCP plan to include processing of non-animal product foods);
- validation of any added products or operating parameters (if needed);
- any negative effects on existing operating parameters and how they are rectified;
- how cross-contamination is managed if the same equipment is used;
- all pre-requisite programmes that are updated (e.g. ensuring allergen management, cleaning and sanitising procedures, traceability, etc. are effective to manage all hazards);
- how non-compliant non-animal product foods will be dealt with (e.g. corrective and preventative actions and recall procedures);
- procedures for separation of animal products and non-animal products foods (e.g. boxes of unpacked vegetables and boxes of frozen meat);
- what written records are to be kept for the non-animal product foods; and
- how the Official Assurances for animal products to be exported will not be compromised.