

New study highlights differences in New Zealand beef

OCTOBER 2021

Pasture-raised beef is the cornerstone of the New Zealand meat industry. But do we really understand the benefits we get from the meat when it is raised this way?



The researchers found the protein from both the pasture-raised and grain-finished cuts of beef digested in a similar way, whereas significant differences were observed for fat or lipid digestion. Digestion of meat from pasture-raised animals

released greater levels of good fats, relative to the generally considered “bad” fats.

Meat digested from pasture-raised New Zealand beef, showed higher total amounts of free longchain omega-3 polyunsaturated fatty acids (PUFAs) and lower amounts of free, long chain saturated fatty acids (SFAs), than meat from grain-finished cattle.

Dietary intake of long-chain omega-3 PUFAs has been recommended in dietary guidelines worldwide as these fatty acids have been reported to promote lowering of total cholesterol and fats in the blood stream of people with high blood cholesterol. This suggests potential health benefits of consuming pasture-raised beef.

The plant-based alternative tested in this study had no long chain omega-3 PUFAs.

“Scientists generally agree that higher rates of release of amino acids [protein building blocks] during the digestion of meat leads to beneficial effects in muscle, such as maintenance or gain in muscle mass. This is particularly important for the elderly in managing sarcopenia [muscle wasting] and for athletes who want to increase muscle mass, for example.

This research forms part of a larger programme currently underway examining the nutritional value of New Zealand pasture-raised beef, as compared with grain-finished beef and with a plant-based substitute.

Australia deal sets the benchmark for a credible NZ-UK FTA

Following the UK’s agreement to eliminate tariffs on Australian dairy products over 5 years, the Dairy Companies Association of New Zealand (DCANZ) is urging the UK and New Zealand Governments to move forward with a deal that ensures New Zealand dairy exporters are no worse off.

“In a short number of years, Australian dairy products will have the same tariff-free access to the UK market that EU dairy products have enjoyed for nearly half a century,” says DCANZ Chairman Malcolm Bailey. “It is critical that the New Zealand-UK agreement achieves complete tariff elimination for New Zealand dairy products within the same timeframe”.



The UK is the world’s second-largest dairy importer, and its dairy imports are dominated by EU product which is accorded duty-free access. Even within the current quotas, which were reduced significantly *Continued on Page 2*

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in size post-Brexit, New Zealand exporters face tariffs equivalent to 5% for cheese and 17% for butter.



DCANZ assesses the UK-Australia agreement endpoint of duty-free dairy trade after a five-year transition as being what should be expected. It is notable that the UK dairy market has been fully liberalised for imports from the world's largest dairy exporter (the EU) for a long period of time.

In addition to a timely transition to tariff-free

trade, the NZ-UK FTA should deliver an ambitious degree of opening of the UK market for New Zealand products from entry into force, which reflects New Zealand's role in global dairy trade.

“New Zealand should accept no less from its FTA with the UK than the access already accorded to other dairy exporters” says Bailey.



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UK-New Zealand trade deal should boost apple exports

A trade deal with New Zealand might be quite beneficial for exporters as both countries ditch tariffs as high as 10% on a range of products. The latest round of trade talks between both sides ended last month with good progress made towards a final deal.

Popular New Zealand products which could potentially be made cheaper include apples and Manuka honey. The UK imported over £42m of apples from New Zealand in 2020 and over £32m of honey even though they currently face tariffs of 8% and 16% respectively. These are set to be eliminated as part of the agreement.



New Zealand's Red Meat on the Increase

New Zealand's red meat exports increased by more than a quarter in August compared to the previous year, according to an analysis from the Meat Industry Association (MIA).



Overall exports for August 2021 reached \$650 million with the 26 per cent increase largely driven by a growth in beef exports, up 39 per cent to \$299m year on year.

Exports to the top three beef markets all increased, with China up 89 per cent to \$117m, the United States by 31 per cent to \$102m and Japan by 31 per cent to \$15 million.

Sirma Karapeeva, MIA chief executive, said volumes of beef exported during August were also historically high.

“A number of factors are contributing to tight global beef supplies. This includes herd rebuilding in Australia and export restrictions in Argentina. New Zealand exported a total of 35,327 tonnes during August, which is 71 per cent higher than the average beef export volume for the month over the last 30 years.

“In early September, China halted imports of Brazilian beef, due to detections of atypical BSE in two cattle in Brazil. This did not affect the August imports but it may have an impact on trade over the next few months. Brazil is the largest beef exporter to China and our understanding is that the situation is not fully resolved yet.”

Sheepmeat export volumes dropped by seven per cent compared to August 2020, but increased in value by 10 per cent, to \$205m. The largest increases were to China, up 46 per cent to \$94m, and the United States, up 85 per cent to \$33m.



While sheepmeat exports to China and the United States increased, export volumes to most other markets decreased, with the 977 tonnes to the UK representing a drop of 52 per cent year on year.

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This was the first time since detailed Stats NZ data became available in the 1980s that export volumes to the UK dropped below 1,000 tonnes in a single month.



Ms Karapeeva said that while ongoing shipping delays affecting shelf life may have had some impact on chilled sheepmeat exports, the change was possibly due to the impact of Brexit starting to be felt, with UK sheepmeat exports also dropping.

“It appears we may be starting to see the impact of Brexit. Data from the UK’s Agriculture and Horticulture Development Board (AHDB) shows that UK exports of sheepmeat were down 25 per cent, by 12,705 tonnes,

compared to the same period last year, with most of the decline in exports to the EU.

“New Zealand’s red meat sector has continually demonstrated that it is well-positioned to deal with disruptions and divert product to other markets. The high standing New Zealand red meat enjoys internationally and the strong relationships our industry has with its customers will ensure the sector continues to deliver for New Zealand farmers and for the economy.”

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New Zealand's Foodstuffs South Island names new CEO:

The South Island's biggest supermarket business has a new boss who has worked most of her career in the retail fashion sector. Mary Devine is taking over as Foodstuffs South Island's chief executive, replacing Steve Anderson who has been in that position for the past 20 years. The 226-store southern operations of New World, Pak'nSave, Four Square, Trents, Henrys and Raeward Fresh will now be headed by a woman for the first time.

'Entire world is short-staffed'

Food prices to climb as labour shortage affects food industry.

Across the world, a dearth of workers is shaking up food supply chains. In Vietnam, the army is assisting with the rice harvest. In the United Kingdom, farmers are dumping milk because there are no truckers to collect it. Supplies are being hit and some employers are forced to raise wages at a double-digit pace.

That's threatening to push food prices — already heated by soaring commodities and freight costs — even higher. Prices in August were up 33 per cent from the same month last year, according to an index compiled by the United Nations' Food and Agriculture Organization.



More than 1 billion Asians will join the global middle class in the next decade

A new study predicts that in 2030 more than one billion Asians will join the world middle class, i.e. those households in which per capita spending ranges between \$11 and \$110 a day. Currently, the middle class is made up of nearly 3.75 billion people, according to data from the World Data Lab.

India and China, the world's most populous countries, will add some three-quarters of a billion members to the middle class by 2030. The other largest contributors are also in Asia. They will come from countries like Indonesia - which is projected to have the world's fourth-largest middle class by 2030, surpassing Russia and Japan - and densely populated Bangladesh, which is set to climb the rankings faster than any other nation.



Bangladesh, which is set to climb the rankings faster than any other nation. Bangladesh is expected to go from ranking 28th to ranking 11th, adding more than 50 million people to the middle class.

Safeguard supply chains from coronavirus with rapid surface testing

Coronavirus (SARS-CoV-2) can spread by direct contact with an infected person, or indirectly, by touching a contaminated surface.

Droplets and aerosols generated from sneezing, coughing and speaking can introduce SARS-Cov-2 to environmental surfaces. Research has shown that the virus is able to survive on surfaces for hours, to several days, depending on the material.

The Cov-Hygien Xpress On-Site Detection Kit from BioMire uses Immuno-Detection technology to identify contamination on a variety of environmental surfaces. Testing confirms the presence of the virus N protein in samples, delivering results in less than 15 minutes.

In the event of contamination, immediate action can be taken and sanitisation quickly implemented, reducing the opportunity for viral transmission from surface contact.

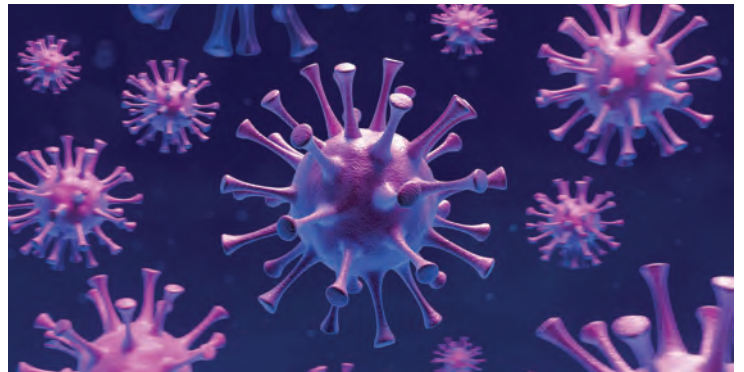


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Combat coronavirus with an all-in-one surface testing kit



Warning: This test is NOT for diagnostic use with samples of human origin. For environmental surface testing only.



COV-Hygien Xpress On-Site Detection Kit

Designed to detect the presence of SARS-CoV-2 on a wide variety of surfaces, this rapid and reliable testing kit delivers results in minutes, without the need for a laboratory. Using Immuno-Detection technology, the kit tests environmental samples for SARS-CoV-2 proteins; minimising the risk of false positive results.

Rapid results from on-site testing with COV-Hygien Xpress means sanitation can be swiftly implemented, and quick re-testing provides assurance that surfaces are safe.

- Routine testing is easier with rapid results
- Simple 6-step testing process, no training needed
- Complete self-contained kit, no laboratory required
- Easy to interpret results, just 15 minutes after testing
- Fast and economical compared to PCR-based techniques
- Long shelf-life at room temperature

The Cov-Hygien Xpress On-Site Detection Kit is available in New Zealand exclusively from Fort Richard Laboratories – market leading supplier of microbiology and food safety testing products.

www.fortrichard.com/cov-hygien-xpress/

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Exporters in New Zealand have been early adopters of this easy, all-in-one testing kit, swabbing export containers and incorporating proof into shipping documentation. Though this process exceeds current reporting requirements of the Ministry for Primary Industries, using rapid onsite testing means exporters can maintain high safety levels and ultimately, avoid costly disruption to supply chains.

A reliable and economical alternative to PCR testing techniques, Immuno-Detection has become a valuable tool to combat the spread of coronavirus. Talk with a Fort Richard Laboratories testing expert or read the BioMire whitepaper to learn more about this new technology.

<https://www.fortrichard.com/cov-hygien-xpress>

Australian industry faces largest rise in food and grocery prices in more than a decade

Australians will most likely be paying more for groceries and other essential goods heading into Christmas as the pandemic wreaks havoc on retail supply chains. Economists have warned households to expect higher prices as supermarkets and other retailers start passing on large cost increases to consumers.

Growing shipping costs out of China, combined with labor shortages on local farms are making it more expensive for businesses to put essentials on their shelves. The warnings come after household budgets were squeezed in the June quarter by rises in the price of essentials like fruit, vegetables and petrol.

Onshore container disruption leading to record delays and profits

At the end of August, over 40 container ships were waiting to berth outside the ports of Los Angeles and Long Beach alone, with 90% of those arriving at a port having to wait at anchorage before a berth became available.

Covid-19 disruption at major Chinese and Vietnamese ports have also resulted in long queues of ships waiting in this part of the world. In other cases, liners actively avoid certain ports in their schedules. According to an article on hellenicshippingnews.com, capacity on the Far East to Europe trade has risen 19.7% over the past year to 5.25 million TEU, while capacity on the Far East to North America trade has risen 30.6%.



Even with these extra ships, shipping companies are struggling to meet their scheduled departures, which leads to cancellations of sailings or port calls because the supply is not there rather than due to a lack in demand.

Pandemic has made shipping containers into hottest items globally

Before Covid hit, companies could rent a humble 20-foot or 40-foot box with relative ease, allowing them to move goods at a low cost. Containers have a lifespan of about 15 years before they're recycled into low-cost storage or building solutions.

But empty boxes remain scattered across Europe and North America, while supply chain delays mean even more are needed to fulfill orders. Demand for goods, meanwhile, has soared – giving the network of ships, containers and trucks that deliver merchandise around the world little time to catch up.

As a result, containers have become incredibly scarce and extremely expensive. One year ago, companies would pay roughly \$1,920 to book a 40-foot steel container on a standard route



between China and Europe. Now, firms are spending more than \$14,000, an increase of more than 600%.

Meanwhile, the cost of buying a container outright has effectively doubled. One point of friction is that a lot of the cargo going from Europe back to Asia is low-value materials like waste paper and scrap metal. As shipping prices have gone up, those trips aren't worth it anymore, leaving boxes stranded.



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Europe provides a healthy demand for NZ Venison

The gradual opening up of Europe on the back of growing vaccination rates is good news for venison producers. There's healthy demand for chilled venison from restaurants opening for the game season - the challenge for exporters is getting it there.



Deer Industry NZ chief executive Innes Moffat (pictured) says that while Covid continues

to cause disruptions, European food service operators, who have received significant government assistance over lockdowns, are upbeat about the recovery that is now underway.

“Beef and lamb prices are increasing in Europe and this is helping marketers to lift selling prices for chilled venison. They are also hoping there will be significant inroads made in the stocks of frozen venison carried forward from the 2020 season.”

“European importers have bought larger volumes of venison this year than in previous years and, have ordered well for the coming season.”

However, offsetting this good news is the expectation among venison marketers that shipping delays and resurgent Delta

infections will disrupt the trade in the months ahead.

Moffat says air freight has traditionally been carried on passenger jets, but with the collapse of global tourism as a result of Covid, air freight is now having to pay its way - a situation that is unlikely to change in the near future.

Marketers of New Zealand farm-raised venison are moving beyond the test kitchen and into leading restaurants in China. The aim is to find a profitable place for venison in the massive Chinese food market.



Consultant Chef Shen Jianfeng working on venison recipes that are now being promoted in Chinese fine dining restaurants

“Younger generations of Chinese consumers are open to novel foods and while the quantities of NZ venison exported to China are tiny when compared to other red meats, China is now our third largest venison market.”

Joint Statement: New Zealand and Australian Trade Ministers

Hon Damien O'Connor MP, New Zealand Minister for Trade and Export Growth, and Hon Dan Tehan MP, Australian Minister for Trade, Tourism and Investment, met virtually on Monday 20 September to advance trans-Tasman cooperation under the Australia-New Zealand Closer Economic Relations Trade Agreement (CER).



CER is one of the most comprehensive trade agreements in the world and underpins the integration of the New Zealand and Australian economies. During the COVID-19 pandemic, these open economic settings have benefitted exporters and businesses in both countries, contributing to the economic resilience of New Zealand and Australia.

Ministers reiterated the importance of the Single Economic Market agenda between Australia and New Zealand to support shared prosperity for our economies, our businesses, and our communities.

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As part of this agenda, Ministers discussed recent cooperation on supply chains and progress on a Secure Trade Lane that would maximise efficiencies in low-risk goods trade. Ministers also acknowledged the ongoing work in digital trade and e-commerce, science and innovation, circular economy, and Indigenous business collaboration.

Reflecting the importance of free movement of people between Australia and New Zealand, Ministers highlighted their desire to see further opportunities for travel between Australia and New Zealand as soon as health conditions allow. They reiterated the commitment made by the New Zealand and Australian Prime Ministers' to work together on re-opening to our Pacific neighbours when it is safe to do so and on systems that would enable a safe reopening to other parts of the world.

Ministers reinforced both countries' commitment to the multilateral rules-based trading system which provides the predictability and stability necessary to ensure that trade can take place efficiently and with the least friction possible.

As demonstrated by the challenges of the COVID-19

pandemic, the benefits this system delivers for our countries are more important than ever. Ministers reiterated their concern over the use of coercive economic practices, and noted the threat these practices pose to the integrity of the multilateral rules-based trading system.

Ministers resolved to work together to support a strong outcome at the WTO's 12th Ministerial Conference (MC12) that promotes a free, fair, predictable, non-discriminatory, transparent, and open trade and investment environment. New Zealand and Australia will continue to work together, including in the Cairns Group, to advocate for agreement at MC12 on parameters to cap and reduce trade and production distorting agriculture domestic support by at least half by 2030 and to conclude fisheries subsidies negotiations as soon as possible.

Ministers welcomed the role Asia-Pacific Economic Cooperation (APEC) is playing to uphold the essential role of trade in tackling the impacts of the COVID-19 pandemic and enabling a strong economic recovery in the region.

Ministers highlighted the importance of regional trade agreements in providing economic architecture that supports an open, inclusive and prosperous Indo-Pacific region. They highlighted the importance of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership in setting a high standard of rules for trade in the region, and looked forward to Regional Comprehensive Economic Partnership signatories completing their ratification processes so that it can enter into force.

New Zealand and Australia are committed to working together to upgrade their shared free trade agreement with ASEAN - AANZFTA. They emphasised their determination to ensure that the Pacific Agreement on Closer Economic Relations (PACER) Plus delivers real and practical benefits to the Pacific and supports the recovery of the region from COVID-19.

Jack's CORNER



This will very likely be my last newsletter before I finally move onto Australia. When I wrote my newsletter last October I started by saying that we had finally made it through the disastrous Covid -19 pandemic and the whole country was now on level 1. We really felt pretty good and to be honest a little bit smug compared to many other countries suffering some disastrous covid infections.

In some ways 2020 was all a bit of a novelty - my generation has never experienced anything so disruptive but, we got on with it and adapted as necessary. We really thought we had beaten the virus - the borders between us and Australia were opened and off we went! Thousands of us took off to Australia myself included - even though there was a warning that things could change very quickly.

And change they did! I am still amazed that our conference just beat the August lockdown by a few hours. On the same afternoon we finished the Intercontinental had to cancel a dinner booking for 160 guests. However, after having to cancel the 2020 conference we were due a bit of luck.

Catching a flight to Australia has always been a very rewarding experience and it usually means a holiday of some sort is just around the corner. But, try it now... so far we have had 2 flights cancelled and our next booked flight is certainly not guaranteed. However, the talk is now all about opening the borders and all we can do is wait. But, like all good things I know we will get there!

Again, my sincere thanks to all of you for a wonderful 10 years. I wish you all the very best for the future Covid or no Covid.