



Newsletter

New Zealand Grain & Seed Trade Association Inc.

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NZGSTA 2010 Conference

Conference will be held in Nelson this year, starting on Wednesday 24 November and finishing on Friday 26 November 2010. The format of the conference will be changed to start with the section meetings on Wednesday, followed by the cocktail party. On Thursday we will hold the AGM and a general meeting followed by the Field Trip and dinner, and Friday will be the golf tournament. We recommend travel be arranged to arrive in Nelson early Wednesday morning or Tuesday night. More details will be sent to members later, but you should mark the dates off in your diaries now, and think about your travel arrangements.

List of Undesirable Weed Seeds

The list was omitted from the recently issued handbook. It has been sent out to all members with a sticky tape so that you can insert it into your handbook.

If any member requires additional copies of the list, please contact the office

ISF Congress 2010 – Calgary, Canada

This year there were 22 delegates from New Zealand, representing 13 companies, attending the ISF Congress. There was over 1200 attending in total, with a large contingent from the USA. Ann Harper attended on behalf of NZPBRA and NZGSTA.

Ann reports:

The Congress always starts with a meeting of the National Secretaries, which is a lively affair covering generic matters that affect the industry as a whole.

- The Trade Rules are being revised and modernised, and the work is expected to take another 2 years before it is ready to present to the General Assembly
- The ISF view on IP is being revised.

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- There had recently been a World Seed Conference, attended by FAO, UPOV, ISTA and ISF, with ISF representing a commercial point of view.
- ISF are promoting an International Standard for Phytosanitary Measures for seeds
- All countries have difficulty obtaining accurate statistics for domestic seed production and usage, except China.
- 2010 is the UN Year of Biodiversity.

At the meeting on Phytosanitary matters, discussion covered:

- Promoting E-Cert to IPPC
- Working party created to work on re-export issues
- Resolving issues where differing testing regimes exist
- Creating an ISF list of relevant seed transmitted pests for seed species
- Creating an ISF database of available PRA's.

At the Forage & Turf meeting discussion covered:

- ISTA - Herbage seed lot size – still the subject of experimentation
- The revision of the Trade Rules
- Technical protocol for the EDV Ryegrass project

At the Trade & Arbitration Rules meeting the discussion covered the revision of the Trade Rules, with the following observations:

- Vegetable seed companies do not use the existing Trade Rules so specific rules are required for the vegetable seed trade
- Aim for international harmonisation in Trade Rules
- Focus on trade between ISF members and non members
- Consider having a section for the relationship with end users

Arbitration was discussed with the following observations:

- The trend for arbitration is down
- Main causes are germination, payment and delivery
- ISF offers arbitration between ISTA approved labs when germination is in doubt

- Is a single global arbitration chamber required as a neutral body for appeals?

Australian Seed Federation Conference



The Australian Seed Federation (ASF) wishes to invite NZGSTA members to attend the **ASF Seed Business 2010 Convention** held in Cairns, North Queensland.

You can download a copy of the registration forms and information about accommodation and airfares via the front page of the ASF website at www.asf.asn.au.

For more information please contact the Membership Services Officer Alysha Bowman on +61 2 6282 6822 or via email at abowman@asf.asn.au

MAF Database

Exporting members of NZGSTA were asked by email to comment on the performance of the MAF database prior to the Executive Council meeting MAF on 21 July 2010. There was a reasonable response with a mixed bag of approval and complaint. It is not too late to make your feelings known. Contact the office.

Textile Bag & Sack - Application for membership.

All members are advised that an application has been received, and approved by the Executive Council, for membership of NZGSTA by Textile Bag & Sack Co Ltd.

Careers Initiative

George Gerard manned the Careers Expo Stand at Lincoln University this year, aided by recent graduates now employed by several of our members.

A new hand out was prepared, aimed at the age group we seek to attract, and the website will shortly be

updated to include a careers section, where we hope members will advertise vacancies, and interested people can lodge work wanted advertisements.

Market Access Activity

The Executive Council has embarked on several market access approaches. These will be explored further at the annual meeting with MAF on 21 July 2010, and the areas that have the greatest benefit to members will be prioritised for NZGSTA to invest in.

Recently there have been requests for vegetable seed access to Argentina, Brazil, China, India and Mexico, and discussions with MAF will focus on the practicalities of achieving success in these applications, and the cost of obtaining Pest Risk Assessments and anything else required by the importing country.

If any members have requests for market access that they believe are worthy of following up, please contact the office.

MAF are currently planning their resource needs and allocations of funding for the next few years so this is an ideal time to present prospects that have real value to the NZ economy

Section Reports

Forage & Turf Section

General comments on the market:

Most markets are very quiet with little demand at present for either Nui or Huia and not helped with a high kiwi dollar. The story is not much different across the Tasman, with Haifa demand also continuing to be weak and prices flat.

Some good news is coming out of the States with the perennial price on the move upwards due to supply and demand, with large areas being plowed out. Annual ryegrass in the USA domestic market is also starting to firm up with prices starting to increase slowly.

MAF:

Some issues have been raised over soil, with ongoing discussion being had with MAF over soil tolerance for

export seed. MAF is looking to put in place a total soil tolerance of 0.1% on all seed being exported out of NZ, unless the importing country importing conditions state anything different.

AsureQuality reported earlier this year:

- Crop entries for the 2009/2010 season are over 3,900 covering over 40,000 hectares, which is up 2,000 hectares on the previous year.
- One of the slowest starts to label printing, which reflects on late harvest and a lot of seed still to be cleaned due to poor demand and companies holding back cleaning schedules at present.
- There is an increase in samples with live insects / larvae / cocoons. Exporters need to take note of this and make sure seed lots are free of live insects at the time of shipment.
- Species certified grasses: 2010 – 24,022ha compared to 2009 – 25,476 ha.
Legume 2010 – 9,089ha compared to 2009 – 6,734ha .
- Total number of tests in 2010 to date is 6,162 compared to a total of 6,143 in 2009.
- Germination results are back this year for some species, with 87% ryegrass germs being between 90 – 100% which is back by 4.7% on last year (91.7%).
- Endophyte tests have increased in 2010 to 610 compared to 446 tests in 2009.

Grain Marketing Initiative

At a recent meeting of AFIC (Arable Foods Industry Council) Tony Zwarts presented the work he and Craig Rust have done in conjunction with FAR to enable Grain farmers to understand their market.

T Zwarts tabled his presentation and took the meeting through the information. He noted that the Arable Marketing Project is now at the consultation phase. They have had 4 meetings with farmer groups and noted that the farmers are thinking laterally. The next step is to meet with industry groups. T Zwarts then moved to the summary of the project.

- End users were wary of buying from the South Island due to the lack of knowledge on volumes available and were not interested in being drip fed

their requirements – they need to know how to get hold of the volume they require.

- There are different buying contracts for raw materials other than wheat.
- NZ end users are small scale and need a reliable source of cheap ingredients, and imports tend to be more reliable.
- End users are interested in alternative pricing strategies such as negotiating prices on a fixed timetable, fixing for a period on terms such as world price + 5%, or list the criteria to be discussed in the price.
- Growers who have contracted directly with dairy companies have struck problems, and farmers recognise that this needs to change. It was confirmed that the lack of information on process caused dissent.
- There was discussion about virtual consolidation so that grain stays on farm until the time for despatch, but on farm storage is unique to NZ and may be a problem. In general, the movement of grain is in containers and not in bulk shipping and it was noted that pools are difficult to manage from the costing perspective.
- From a farmers point of view pricing needs to be over the period the crop is drawn and the difference between the contract price and the cash price causes the most angst.

The original project considered that there was an opportunity to persuade New Zealanders to buy local, but Australia is often seen to be as good as New Zealand and cost is the final arbiter. Consumers are concerned about sustainability but won't pay extra to support the concept.

- **Market Information**
Determining what is, and what is not available from planting through to the end of the selling season. "GrainTalk" put out by PGGW gives cash prices, and the project had determined that they should get a group together to discuss how volumes and

prices can be conveyed - current or historical paid prices.

- **Longer Term contracts**
The aim is to get people talking about alternative contracts. Again, a group is to be formed to give advice, with the aim of having a clearly referenced cash price.
- **Logistics**
A much wider group is to be involved in this segment of the project. On farm storage causes concern with safety, quality etc. This segment will also consider the specifications of wheat rather than the variety. More emphasis is required on the value of a sample.
- **Consumer**
The decision has been made to just monitor this segment at the moment.

The project currently has four work streams in play. It is being funded by \$20,000 from MAF's fund. AFIC has promised \$10,000 but AFIC's prime concern is the data collection segment of the project. There was some consideration given to how data is presented for farmers to make choices with some focus on specification.

Brent Sycamore from PGGW will represent NZGSTA on the relevant working groups and has had initial discussions with the project leaders.

NZGSTA members may have noticed that FAR are running a series of meetings throughout the country to present these findings to interested parties. Members are welcome to attend the meetings.

Next Executive Council Meeting Date

The next meeting will be on 21 July and will take place in Wellington. Members are invited to contact the Executive Director if they have any matters they would like to bring before the Executive Council

Advertisement

Defining the value of the Supply Chain

A supply chain is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer.”

Supply chains have existed for hundreds of years.

In the last 20 years, discussion, focus and practice has pushed supply chain issues to prominence, to the extent there is an acceptance in current business philosophy to take even more interest in how products are transported.

Supply chains exist in many guises. From the very simple that involves a raw product simply requiring packaging prior to transportation , to the very complex that involves many parties who provide a large range of raw material to a manufacturer who makes a product which in turn is distributed throughout many foreign markets by land, sea or air transport .

Today, a great deal of emphasis is being placed on the need to have supply chains that have a robust structure. This means they have the ability to be reviewed regularly and be changed where necessary, in order to meet the needs of the seller or the buyer of the product.

An effective supply chain can add value to the commercial interaction with your client. Current thinking has determined that stripping back too much cost from within the supply chain may weaken the chains' structure and effectiveness.

Weak links in the chain will affect the sellers ability to service the buyer .Many of these links are commercial relationships with service providers and industry partners.

Supply Chain Partners has been established to assist the export and import communities re-evaluate their supply chain needs and where required, identify areas of improvement.

For further information on the wide range of services provided by **Supply Chain Partners**, please contact Tim Crump on 03/378 0565 – 021 1168774 or tim.crump@supplychainpartners.co.nz