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Conference 2011

Reminder: The NZGSTA Conference will be held on Wednesday 30 November and Thursday 1 December 2011, in Tauranga. Registrations are still being accepted (with no surcharge for late registration) but accommodation is becoming critical at the hotel. Please contact Tricia Radford if you experience a problem with accommodation tricia@seedindustry.co.nz or phone 03 342 8784

Scholarship for 2012

The NZGSTA Scholarship is being offered through both Massey and Lincoln Universities. Links to the relevant websites can be found on the Careers page of the NZGSTA website www.nzgsta.co.nz

Argentinean Stem Weevil

Members who export ryegrass seed to the UK will be aware that the UK border agencies will destroy any shipment found to contain ASW. MAF are currently questioning this action on the grounds that fumigation on arrival is the agreed procedure.

However members are also reminded that the shipments can be treated before shipment which removes the risk of live ASW being found.

Seed Lab Performance

AsureQuality have responded to NZGSTA concerns about performance in the coming season. There is an assurance that staffing and resourcing have been addressed.

In Palmerston North David Geary has been appointed as Seed Laboratory Team Leader and the employment of four new trainee seed analysts has been approved. The new analysts are expected to be working in the PN Lab by early November 2011. Investment in equipment and

systems monitoring should be in place by December 2011.

In Lincoln additional staff resources have been employed on a permanent basis to ensure timely testing and reporting. The Lincoln laboratory will be upgraded to add laboratory space and facilitate an ongoing increase of resources.

If members experience any unreasonable delays please report them to Ann Harper so that we can keep AsureQuality informed of progress.

Diazinon

The Environmental Protection Agency (EPA) has advised that they are in the process of reassessing four organophosphates: dichlorvos, acephate methamidophos and diazinon.

From the information the EPA has received from submissions, they have decided to take a more integrated approach and are widening the scope of the reassessment to include other substances with a similar mode of action – addressing most insecticides that act through acetylcholinesterase inhibition and are used for plant protection (list provided over the page).

The main goal in reassessing organophosphates and some carbamates as a group is to ensure the EPA makes decisions that benefit all New Zealanders. This means balancing the needs of industry, which requires a range of tools in the pest management toolbox, with the safety of people and the environment.

This more integrated approach will avoid regulatory action such as phasing out one substance resulting in an increased risk from another substance which may be used as an alternative, and will provide greater certainty for industry about the tools available to them in the future.

The submissions received on the initial four substances are a valuable foundation which they say they will build on as part of this ongoing reassessment.

Sign up for China Business Training

China is New Zealand's second largest trading partner and export market. The Chinese market is large, complex and undergoing growth and change every day.

New Zealand businesses succeeding in the market are focused committed and know their market inside out. When you want to do business in China, it is important you learn from those with in-depth market experience so any gaps in knowledge and understanding don't turn into stumbling blocks.

To help you prepare for doing business in China and succeed, NZTE has introduced China Business Training. The training (starting 25/10/11) is designed to help you :

- Understand the market, and how the government and business in China operates
- Navigate language barriers, cultural difference and regional variations
- Build and maintain business relationships
- Work within the Chinese legal, financial and management structures.

Locations: Auckland, Tauranga, Napier, New Plymouth, Wellington, Nelson, Christchurch, Dunedin. Register at http://www.prclive.com/china_training/cbt_home

The training is delivered in a two-day programme consisting of four half-day modules. This format allows participants to select the scheduled module(s) most appropriate to their needs. Companies are eligible to participate at the cost of only \$50 per person per day.

Section Reports

Forage Section Report

General comments & reports from the market:

New Zealand market:

There is strong interest across the NZ market for pasture and cereal seeds at present, with a number of varieties already sold out, this early in the season. The strong demand is being created by pastoral farmers, who are receiving good prices for milk and sheep meat.

MAF – Import / Export comments:

MAF are following up market access issues into Ecuador, re *Lolium boucheanum*. MAF are requesting that Ecuador implement the same import requirements for *Lolium boucheanum*, as is for *L. perenne* and *L. multiflorum*, due to their similar; growing conditions, pest stresses and genetic makeup.

ASW issue with the imported seed into the UK- UK authorities have indicated that they could still take action on imported seed, even if they find dead ASW. NZ MAF has sent a letter to the UK authorities, stressing MAF's unease at them taking action on dead insects. MAF have also indicated that it could be a difficult negotiation. This issue could have long term consequences to the trade with countries banning seed imports due to dead insects. NZGSTA will keep a watching brief.

Seed Testing / Certification etc comments:

NZPBRA and AgResearch have developed a cultivar identification DNA testing database that will allow the owners of proprietary seeds to positively identify their cultivars.

Asure Quality:

There will be an increase in endophyte tests from 1st July 2011, and estimated testing times now been put into place by Asure Quality:

<u>Test type</u>	<u>Test Price</u>	<u>Test TAT</u>
Seed borne (squash) test	\$130.00	15 working days
50 seedling growout test	\$260.00	25 working days
100 seedling growout test	\$390.00	25 working days

Latest report from ISTA / ISF:ISTA/ISF Experiment on Herbage Seed Lot Size.

At present 11 companies are authorised to prepare 25 tonne seed lots and 11 are undergoing testing. Experiment will be finalised at the latest in June 2013. A permanent regime will be set up at the end of the experiment.

Where an Orange International Certificate (OIC) is issued for part of a seed lot the part seed lot must represent at least 20% of the weight of the seed lot (a maximum of 5 sub-lots is possible). It will therefore be possible to have 6 original OIC's per seed lot. The sub-lots will not need to

be re-sampled or re-tested. The ISTA laboratory issuing the OIC must have a system to keep track of the number of certificates issued per seed lot and ensure that the original size of the seed lot is not exceeded

A test for *Orobanche* spp. has been added to testing procedures.

Currently results of the *Orobanche* spp. test can only be reported on a Blue International Certificate.

Orobanche is becoming a problem with China, Brazil and Argentina now requiring imports to be free of it. This could be resolved by field inspection. Some research into the life cycle of *Orobanche* in short term crops could be undertaken by Plant & Food Research or Trevor James at AgResearch.

ISTA has passed the matter to SENASA for a regional opinion.

Nematodes have been reported as being on seeds. The current view at OECD is that seeds are becoming more likely to carry pests and diseases. This could have affect, on seed exported out of NZ.

Grains Section Report**International situation**

The late planting of the current crop, together with the effects of wind had raised some time ago concerns about the crops final yield potential. Corn futures in Chicago at the end of July responded as extreme heat across the Midwest stressed crops, trimming harvest prospects during a year when a big crop was considered crucial to replenishing tight grain inventories.

Prices were expected to relate to crop development and harvest reports as the season advances.

The recently released Crop Production report confirmed the corn US. corn crop to be smaller than forecast in August while the soyabean crop forecast, is slightly larger.

The 2011 US corn crop was forecast at 12.497 billion bushels, 50 million larger than the 2010 crop, but 417 million smaller than the August forecast. This reflects an average yield of 148 bushels, (about 9.25 t/ha).

The USDA increased the estimate of corn consumption during the year ended in August 2011, by 20 million bushels. Current corn stocks are estimated 920 million

bushels. By September, 2012, stocks are projected to decline to 672 million bushels. The 2011-12 marketing year average farm price is expected to be \$6.50 to \$7.50 per bushel, compared to a \$5.20 average over the last year.

The US average soyabean yield is forecast to be near 42 bushels providing a national crop of 3.085 billion bushels, some 244 million smaller than the 2010 crop, but 29 million larger than the August forecast. The 2011-12 average farm price is expected to be in the range of \$12.65 to \$14.65 per bushel, compared to \$11.35 over the last year.

At the same time the USDA increased the forecast for the wheat crops for Canada, European Union, and Ukraine. World ending stocks are projected to be slightly smaller than at the beginning of the year. The 2011-12 average farm price is expected to range between \$7.35 to \$8.35, compared to \$5.70 average over the last year.

The global situation continues to be impacted by the lingering effects of significant weather issues in Australia, China, Canada, Russia and Northern Europe over the last year or so.

International situation – Australia

Australia continues with a large export programme. Total wheat exports for the full year are expected to be 19.5mmt.

The overall crop rating in Australia is fair.

New Zealand Grain Industry

Recent reports indicate good demand for the new grain crop.

There continues to be an expectation that prices will firm for the next production cycle. However, realism needs to prevail in what is still a recovering market. It is nevertheless, expected that there will be the need for a good sized local crop to balance supply and price against the international commodity situation reported above.

Foundation for Arable Research (FAR)

FAR announced the result of its fourth referendum of growers, which indicated significant support of NZ arable,

maize and cereal silage communities continuing to be in favour of FAR investing their levy funds into research and extension.

Nick Pyke stated the result is a true reflection of the hard work and commitment of growers, FAR staff and industry colleagues. "We are strong advocates of investing in research areas which are of particular importance to growers. Through feedback from our regional Arable Research Groups (ARGs) and Strategic Research Committee, we ensure that the areas of importance are addressed through research strategies and programmes which are put in place to tackle these."

It is important to FAR that levy payers and subscribers are kept up-to-date with where levy investments are spent, Pyke says. "We have developed a research and extension strategy and portfolio which provides details around specific areas of research which are being undertaken across a range of crops and an outline of FAR's extension mandate. This has been developed with due regard for sustainable farming practices so a balanced portfolio of production, environmental and social research will be maintained. The outcomes of investment will deliver benefits which can be measured in the increased productivity, profitability and the retention or opportunity for the farm to use certain practices."

Biotechnology

A new initiative will help reduce the likelihood of disruption in feed supplies by boosting legal certainty for animal feed imports into Europe.

The "technical solution" allows up to 0.1% of not yet authorised GM material into the EU. This approach takes account of the dynamics of international trade and allows European farmers continued access to vital protein feed imports.

Key exporting countries are no longer prepared to await full EU approval of GM crops before authorising their cultivation. The number of GM events commercially cultivated worldwide is predicted to increase from about 30 today to over 130 by 2014.

In another a vote in the EU Parliament on 5th July MPs supported proposals that will permit member states to ban GM plantings for socio-economic reasons. It means countries could disregard advice from the European

Food Safety Authority on the safety of GM varieties and ban the technology on the grounds of factors such as the potential for civil unrest.

A new discussion begins to emerge as patents on the first marketed GM traits begin to expire. Will there be a smooth transition into a generic seed market without violating property rights and interrupting international trade?

**Next Meeting of NZGSTA
Executive Council**

Wednesday 30th November 2011

Please advise Ann Harper of any matters
you wish to have discussed at the meeting