

Improving Market Access to China for Australian Summerfruit

John Moore
Summerfruit Australia Limited

Project Number: SF11003

SF11003

This report is published by Horticulture Australia Ltd to pass on information concerning horticultural research and development undertaken for the summerfruit industry.

The research contained in this report was funded by Horticulture Australia Ltd with the financial support of the summerfruit industry.

All expressions of opinion are not to be regarded as expressing the opinion of Horticulture Australia Ltd or any authority of the Australian Government.

The Company and the Australian Government accept no responsibility for any of the opinions or the accuracy of the information contained in this report and readers should rely upon their own enquiries in making decisions concerning their own interests.

ISBN 0 7341 2843 6

Published and distributed by:
Horticulture Australia Ltd
Level 7
179 Elizabeth Street
Sydney NSW 2000
Telephone: (02) 8295 2300
Fax: (02) 8295 2399

© Copyright 2012



Horticulture Australia

SUMMERFRUIT AUSTRALIA LTD

FINAL REPORT

MILESTONE 190.

PROJECT: SF11003

PROJECT TITLE: “Improving Market access to China for Australian Summerfruit.”

**MILESTONE
COMPLETION
DATE: 22nd December 2011**

AUTHOR: John Moore

**RESEARCH
PROVIDER: Summerfruit Australia Limited**

PROJECT NO: SF11003

PROJECT LEADER: John Moore
Chief Executive Officer
Summerfruit Australia Limited
8/452 Swift Street,
ALBURY, NSW 2640
Phone: +61 2 6041 6641
Email: ceo@summerfruit.com.au

PURPOSE OF PROJECT: “For the Australian Summerfruit Industry to achieve market access within the next two year period.”

FUNDING SOURCES: Horticulture Australia Limited
Summerfruit R&D Levy

DATE OF REPORT: 6th February 2012

DISCLAIMER:

“Any recommendations contained in this publication do not necessarily represent current HAL policy. No person should act on the basis of the contents of this publication, whether as to matters of fact or opinion or other content, without first obtaining specific, independent professional advice in respect of the matters set out in this publication.”

CONTENTS

SECTION:	PAGE NO:
1 Media Summary:	4
2 Technical Summary:	5
3 Introduction:	6
4 Material & Methods:	7
5 Results and Discussions:	8
6 Technology Transfer:	25
7 Evaluation:	25
8 Recommendations:	27
9. Acknowledgments:	27
10. Financial report:	28
APPENDICES	
Appendix A:	29-31

FINAL REPORT (MILESTONE 190)

SECTION 1: MEDIA SUMMARY

The Australian Summerfruit Industry believes that without a strong export process the domestic market would suffer from an oversupply and result in market failure at a very great level. It is essential in going forward that the Summerfruit Industry has a strong domestic market, a strong export market and adequate value-adding opportunities. If any one of these segments is weak then the total industry is vulnerable. With this in mind one of the major focuses of the Industry is to strengthen exports to South East Asia.

Australian Summerfruit is widely sought after within the overseas markets in South East Asia. To ensure that new markets open and current markets expand it is essential that the industry and individual producers and exporters regularly visit these markets and communicate with importers, wholesalers and consumers.

Summerfruit Australia Limited has been pro-active in the reopening of the markets in Taiwan and is working hard to achieve market access in China. To ensure success in both of these markets the Summerfruit industry has embarked on a major program of participating in trade Shows and Expos to expose the importers, wholesalers and consumers to the Australian Industry and the products available.

Great interest from mainland China traders and other regional traders was evident at Fruit Logistica in Hong Kong and the Summerfruit presence added further in strengthening the industry's desire to have the authorities grant official market access.

In addition to attending and participating at Asia Fruit Logistica representatives of Summerfruit Australia Limited attended and participated in the Fruit and Vegetable Expo in Shanghai, China and the Fruit and Vegetable Fair in Nanning, China during October and November 2011. In addition representatives made a short visit to Taiwan to reinforce the availability of stonefruit to importers and wholesalers. Through these events the Summerfruit industry has made in excess of 1,000 valuable contacts that will assist the industry expanding the sale of stonefruit in the coming years.

The Australian Summerfruit Industry is hopeful that the China market will open to Australian stonefruit during 2013. This success will have been built on the hard work undertaken by the industry and the organisation over the past four years.

For more information and media comments contact

John Moore
Chief Executive Officer
Summerfruit Australia Limited
8/452 Swift Street,
ALBURY, NSW 2640
Phone: +61 2 6041 6641
Email: ceo@summerfruit.com.au

SECTION 2: TECHNICAL SUMMARY

In parallel with the visits to China, Hong Kong and Taiwan Summerfruit Australia Limited has been working on the technical aspects of market access.

To ensure that stonefruit can enter a market there is a need to agree upon appropriate protocols that are based on sound science. Initially there is a requirement to work with Biosecurity Australia to establish what the pests and diseases are of concern to the importing country. Once these pests and diseases are known the industry establishes the agreed control techniques and programs.

Part of the Summerfruit program has been to understand the issues of concern to the Chinese Quarantine Service. The visit by Chinese Inspectors and tour of the Australian growing regions gave a good insight to the areas of concern.

While the pest and diseases like Queensland and Mediterranean Fruit Fly are of major concern the following areas also need to be addressed:-

Preparation of concise and collated documentation from orchardists in areas such as

- spray diaries,
- chemical lists,
- pest monitoring schedules
- orchard management systems
- traceability of harvesting and packing,
- transport dispatch

Light Brown Apple Moth protocols particularly for stonefruit growers close to apple production orchards.

One of the important technical aspects going forward is a check list of topics to be considered by Inspectors to be prepared and supplied in advance by Biosecurity Australia. Such documentation should be made available to State Agencies before the inspections. This will ensure growers are better prepared during any inspection process.

The exposure to the Chinese Inspection audit recently conducted was a valuable insight for the finalisation stages to SAL's market access process. The recent announcement by the Federal Minister for Agriculture, Fisheries and Forestry that SAL's application for Australia - China Agricultural Cooperation Agreement was successful and could be attributed to the related activities undertaken by this project.

To achieve rapid market access with workable and efficient protocols both Summerfruit and the broader Horticultural industries need to be better focussed on the pest and disease issues of concern to our trading partners. Urgent implementation of the National Fruit Fly Strategy requires major input of time and resources by industry and State and Federal Governments.

For more information and technical updates contact

John Moore
Chief Executive Officer
Summerfruit Australia Limited
8/452 Swift Street,
ALBURY, NSW 2640
Phone: +61 2 6041 6641
Email: ceo@summerfruit.com.au

SECTION 3: INTRODUCTION

Within the Summerfruit Industry Strategic Plan there are two relevant Industry Objectives:-

- 1) Summerfruit Australia work towards opening/reopening markets in Taiwan, China, New Zealand, USA and
- 2) Summerfruit will utilise appropriate strategies to grow exports to off shore markets.

Additional to this is the underpinning export season of 2010/2011 and the need to demonstrate the quality aspects of traditional Summerfruit from Australia and this sector of Asia are accustomed by the intense activity trader's exercise from the Hong Kong market. Summerfruit Australia's largest export market is Hong Kong and the gateway to the southern ports of China and therefore of primary importance to attend the Asia Fruit Logistica, September 7th to 9th 2011. Additionally, Shanghai will become a vital market access point and therefore it is imperative to keep the momentum on traders to apply internal pressures.

Great interest from mainland China traders and other regional traders is evident at Fruit Logistica in Hong Kong and a Summerfruit presence adds further strength to generate internal pressures on authorities to grant official market access. Without a strong export choice the domestic market will suffer from an oversupply and result in market failure at a very great level. It is essential in going forward that the Summerfruit Industry has a strong domestic market, a strong export market and adequate value-adding opportunities. If any one of these segments is weak then the total industry is vulnerable.

As a result Market access is one of the highest priorities for Summerfruit Australia and China is the highest priority country. With Summerfruit being counter seasonal and a very large and increasing affluent population China offers, Australia a very important market.

As part of the Melbourne Workshop held on the 19th and 20th April 2011 and the earlier growing region showcase orchard inspection (16th and 17th April) the Australian Summerfruit Industry was invited to return to China by Mr Duan, Deputy Secretary General, China Inspection and Quarantine Service (CIQ) and participate in both technical meetings relating to progressing Summerfruit Market Access and also participate in the China Fruit and Vegetable Fair being sponsored by CIQA in November 2011.

Summerfruit Australia has been developing the process of participating in these events with strategies learnt at previous trade fairs, sponsored by CIQA, which have been helpful in developing and expanding the network of key industry contacts to assist in fast tracking the industry's market access aspirations. In addition Summerfruit has been able to offer assistance to Biosecurity Australia negotiators and Australian Government embassy staff based in China.

All of these events have been seen by Summerfruit Australia as important in building on the past relationships, gaining further understanding the impediments to market access and developing a plan going forward for the Industry that will result in a timely access for the Summerfruit Industry.

This project has been an important aspect to implement the above two objectives from the Summerfruit Strategic and Operational Plans.

SECTION 4: MATERIALS AND METHODOLOGY

The methodologies used as part of this project were:-

- 1) Participate in the technical sharing, market access and business opportunity forum and Fruit and Vegetable Fair in Nanning, the Fruit and Vegetable Expo in Shanghai and the Asia Fruit Logistica and conference in Hong Kong.
- 2) Prepare appropriate technical information on the Australian Summerfruit Industry in a form that can be displayed in mainland China and Hong Kong.
- 3) Organise the travel and accommodation for the Summerfruit delegates.
- 4) Register the participation of the Summerfruit Industry in the technical and/or forum meetings with the Office of Horticultural Market Access- National Director, Horticulture Australia Limited, Austrade Hong Kong, Taiwan and mainland China Austrade offices in Guangzhou, Shanghai and Nanning and the Australian Embassy in Beijing.
- 5) Liaise with the Stonefruit Industry Chinese network, established as part of the June 2010 visit and gather additional information that might be required as part of the technical presentations and discussions.
- 6) Gather technical information on the Market Access application and collate this information in a format that can be tabled at technical meetings.
- 7) Liaise with representatives of DAFF, Biosecurity Australia and DFAT and offer technical assistance.

SECTION 5: RESULTS AND DISCUSSION

PROJECT OBJECTIVES:

The Objectives of the Market Access to China Project are as follows:-

- To further expand on the relationship with CIQA, CIQ regional headquarters developed by Summerfruit Australia during the visit in June 2010 and earlier scoping visits.
- To attend and participate at Asia Fruit Logistica, Hong Kong, September 2011; Fruit and Vegetable Expo and supply chain discussions in Shanghai, October 2011; Trade Fruit and Vegetable Fair and Technical talks in Nanning, China, November 2011.
- To establish the current technical barriers for Australian Summerfruit being exported into China.
- To establish a plan for the future, which defines those areas and actions required by the Summerfruit Industry to achieve timely access to China.
- To establish any specific R&D projects requiring immediate implementation to assist in the Market Access process.
- To prepare an agreed program of marketing, promotion, collaboration and technical support and be ready once the Chinese market is open to Australian Summerfruit.

These objectives were achieved through:-

1. Participation in international exhibitions and forums
2. Liaise with appropriate government agencies and representatives, importers, wholesalers and exporters in Australia, China, Hong Kong and Taiwan.
3. Hosting of importers, wholesalers and quarantine inspectors in China, Taiwan and Australia

The output below details the work undertaken to achieve the milestone objective.

Output:

1. Technical and Market Information.

Attendance at international exhibitions in China and Hong Kong and hosting an information session in Taiwan assisted in gathering the relevant technical and market information. The reports below from the specific events best details the information gathered.

2. Expansion of Contacts within Hong Kong and mainland China

To assist with enquiries from potential customers Summerfruit Australia limited prepared an extensive information pack including:-

- Details on the Australian stonefruit industry,
- Detailed summary of national growing locations and varieties,
- Availability schedule of varieties,
- Fruit quality information,
- Storage tips,
- Natural 'clean and green' message,
- Australian Government regulations for export conditions,
- Comprehensive ordering guideline.

The information was made available in hard copy as well as a promotional DVD. All material was printed in or had sub titles in Mandarin Chinese.

Over 280 presentation packs were supplied at Asia Fruit Logistica
At the Shanghai Expo 450 brochures were distributed and 200 serious enquiries for sourcing fruit were recorded.
Similar enquiries were received at the stand at the Nanning Fruit and Vegetable Fair.

All of this information has been collated by Summerfruit Australia Limited and is available to members.

3. Attendance and participation at Asia Fruit Logistica – September 2011

Summerfruit Australia Limited attended and participated in the Asia Fruit Logistica Hong Kong, 7th – 9th September 2011

The following is a report from the Expo activity:-

“Australian Horticultural Industries were well represented at Asia Fruit Logistica in Hong Kong, 7th -9th September, 2011 recently and strong interest was evident from importers, traders and supermarket chains from all parts of Asia, India & Middle Eastern Gulf countries. The event organisers were spruiking-increased stallholders and visitations.

Summerfruit Australia Limited through the Improving Market Access to China for Australian Stonefruit project SF11003, rented floor space within the J 02 section of the exhibitor’s Hall 5E. The stand was incorporated amongst the Horticultural Australia’s- Australian Fresh Promotion which occupied J 02 section of Hall 5E; it was well placed and visited by the large attendance of visitors. Over 280 presentation packs were sought by visitors, mostly genuine inquiries from local Chinese traders, Indian, Singaporean, Malaysian, re-exporters for the Middle Eastern countries, Philippines and Thailand. During the 3 days of the exhibition Austrade representatives introduced key supermarket buyers from these ASEAN countries, mainland China and Hong Kong. Further exploration on the genuine credentials will be followed up as matter of course. Of primary importance was the re –assurance to prospective traders that the 2010/2011 season was not indicative of a normal year in the Australian Stonefruit growing seasons history. Most traders were understanding of the poor season past and were all eager to place orders for the forth-coming season with their traditional Australian exporters and some were pleased to receive the updated list of specialist stonefruit exporters. On all occasions of the exchanging of contact details prospective buyers or traders were informed of the in-kind representation of the Summerfruit representative, promoting the Australian stonefruit produce and that their inquiries would be passed on to the select producers who personally advertised in a promotional brochure and also their contact details would be identified to the Australian Horticultural Exporters Association, who also was in attendance with the Summerfruit stall and as a courteous follow up there details would be forwarded to the AHEA pool of members.

The information pack handed out to all inquiries contained information on the Australian stonefruit industry, including a detailed summary of national growing locations, varieties and the availability schedule of these varieties, fruit quality information and storage tips, the natural clean and green message, Australian government regulations for export conditions and a comprehensive ordering guideline in order to step the process for prospective buyers. Further additional

information was a promotional video DVD with Chinese mandarin sub titles.

As with previous years the occasion hosts the Asia Fruit Congress and is a forum for the latest trends in Asia and spotlighting key subjects of general interest. This year the topics covered supermarket retailing, fresh food retailing and food safety in Asia .A series of case studies of how to go retail sales through innovative new concepts and approaches. An emerging market case study, doing direct business with Peru, supply chain, new solutions, and the powerhouse exporter and what it offers to Asia. The noticeable trends in the global reefer logistics and developments for the Asian sectors were focused on the new technologies with tracking and cool temperature monitoring. Consumer habits the topic of the final session of the congress; with in-depth analyses the emergence of spending patterns on fresh cut produce. They are clearly emphasising on cleaner nutritional food and the per capita spend is increasing. Across China and India the dynamics of Apple production are becoming a concern and this session examined various scenarios and production trends with a focus on international licensing of brand trademarks. China holds 44.5% of world apple production and has grown in one year a full annual USA crop in production and this is not helpful to world production dynamics. Over 500 cities in China have a population greater than one (1) million and are of a growing middleclass making up these 2nd & 3rd tier cities and 75% of consumers will require fresh food. Infrastructure is not keeping up with this explosion, particularly the cool chain supply. It was highlighted that one quarter of fresh food goes to waste as a result of the poor infrastructure.

As always we are reminded of our competitors, Chile, New Zealand and South Africa. The interest for Australian fruit is reflected by the shorter sailing schedules to Hong Kong, Thailand, Indonesia Singapore, all significant markets and require maintenance for sustainable growth areas.

The Association of South East Asian Nations (ASEAN) in particular is seeing rapid change in consumer habits, lifestyles and tourism and the need for quality is outreaching. The highly competitive retail sectors and are leading more opportunities for fresh Australian produce. In Thailand the Government's initiative- "Kitchen to the World" is creating demand for fresh produce and is seeing the major retailers, regional /global sourcing head quarters based in Thailand. Malaysia is seeing rapid growth and is an export hub to China through joint ventures with Chinese partners. Singapore has a per capita income on par with Australia and looking for contract growing ventures and also seeing an increased demand for organic fruit and vegetables. Vietnam is an emerging market but it is still more sensitive to demand driven factors- price, availability and quality. The Filipino consumer is also joining the fresh, healthier food trend and hopefully we will soon see a greater presence of exports. On our door step is the Indonesian consumer looking at the growth in speciality stores as they are offering more quality than the supermarket chains. As with all of the opportunities within our region they are very much dependent on the exchange rate. However some markets may reflect little change with the stronger per capita growth and the quest for fresh healthier food of choice. Retailers are ramping up the shopping environment, wrapping consumer food and addressing health issues that may arise from the 'wet market' environment. Air conditioning is sought after and less smells whilst shopping is desirable. Category buyers for the larger chains are 'locking in' 80% of the supply chain, leaving room for the smaller farmers to attune to quality and food safety regimes and by this support the local economies. There is a notable trend to organics and this is a difficult component of the track and trace of organics to the consumer.

The Thailand office of Austrade is keen to engage with Summerfruit Australia to focus on the 'Kitchen to the World' concept and seek our representation and presentation at various workshops around the ASEAN countries, to capitalise on this continued push by Austrade and the Thailand Government. The other regional Austrade offices were extremely helpful in targeting key and influential clientele who were asked to promote the market access push by Summerfruit with their CIQA and CIQ contacts. This endeavour is now the key most important focus by the Summerfruit IAC & Board now that Australian Table Grapes has successfully had their application approved by these authorities and the Peoples Republic of China Government. It is understood that Chinese authorities changed their preferences of commodity entrance into China and a commitment to SF11003 will be paramount for Summerfruit in the new preferred list."



John Moore with Interested Importers at the Australian Fresh Stand –Hall 5E –J 02 communicating with Traders and equipping them with relevant Stonefruit information in show bag.



John Moore attending a conference session at the Asia Fruit Congress 7th -9th September, 2011

4. **Attendance and participation at Shanghai Fruit and Vegetable Expo – October 2011**

Summerfruit Australia Limited attended and participated in the Shanghai FruVeg Expo held 20th – 22nd October 2011, Everbright Exhibition Centre, Shanghai, Peoples Republic of China.

The following is a report from the Expo activity:-

“A key part of the Summerfruit industry’s strategic plan is market access for China. In the final closing address at the recent Sino- Australia horticultural forum held in Melbourne, 19th-20th April, 2011, the general secretary of Entry-Exit Inspection and Quarantine Bureau of the Peoples Republic of China (CIQ) stated that any Industry with aspirations for market access in China, attend trade fairs and expo’s scheduled in October and November, 2011 which will signal to the authorities genuine intentions.

The Shanghai FruVeg Expo was well positioned for central and northern Chinese traders to visit the expo. Trade shows have been traditionally held in the southern region of China and cater specifically for the traders linked to the Guangzhou hub. This Shanghai expo is the first held specifically focusing on horticultural products within this region and was well attended with 162 stands showcasing fruit and vegetables. Organisers have indicated that over 5,000 people attended and the Summerfruit stand was swamped with genuine enquiries for sourcing seasonal fruit this year. In preparation for such an event, descriptive brochures were printed in

simple Chinese mandarin and an accompanying DVD was produced with sub titles, which tells the story of fruit production in Australia.

It is commonly known that until mainland access is granted, Australian fruit is sourced from Hong Kong and traded within circles and distributed to second tier consumer outlets. The main supermarkets market no fruit from Australia. All of the enquiries were given the explanation that they should urge authorities to fast track market access. A ground swell of pressure will inevitably demonstrate to authorities the demand for Australian fruit. Summerfruit Australia has indications from Biosecurity Australia that market access may be granted for the 2012/13 season but no guarantees. In keeping with the comments made by Chinese CIQ officials at the Melbourne forum, section chiefs from Shanghai Pudong CIQ officials visited the Summerfruit stand to acknowledge our presence. They were complimentary with the quality of the literature we were able to provide to traders. For the record we distributed 450 brochures and recorded 200 serious enquiries for sourcing fruit. Officers from the Austrade Shanghai office were able to provide comment on the validity of enquiries and the quality of the traders making themselves known were very reputable and known to move large volumes of fruit.”



L>R - Ian McAlister SAL; Han Jian Yong CIQ; John Moore SAL; Zhou Guo-Liang CIQ



L>R -John Moore SAL; Stella Cai Austrade; Lui Bing Austrade; Ian McAlister SAL.

(Also visiting the Summerfruit stand were researchers and Chinese Industry representatives from varying provinces seeking cooperative exchange of technologies and information for mutual horticultural development across Chinese and Australian Industries.)



L> R- John Moore SAL; Wang Hui -Specialty Plant Nutrition, Yunnan Province, China



Ian McAlister (center) with enquiring Importers

The Chinese Government is moving at great pace to establish infrastructure for food security, there is currently 500 cities within China of a population greater than 1 million people. The recently opened deep-water port, 32.5 kilometers off Shanghai is truly an engineering feat and a sign the Government is serious about food security. This port has currently four (4) container-unloading facilities (each larger than the port of Melbourne) and a fifth (5) facility under construction.

The port of Yangshen is connected by the longest cross-sea bridge in the world and the longest bridge in Asia. Most of the bridge is a low-level viaduct. There are also cable-stayed sections to allow for the passage of large ships, largest with a span of 420 meters, the Donghai Bridge. The volume of cargo is not known to the SAL delegation, however the vision of direct sailings from Australia to the central and northern ports will ensure fresh fruit to these large markets patiently waiting for official market access.



View of the bridge disappearing out to the deep-water port of Yangshan- 32.5 kms on outer islands



Entry to the Port facility

In brief summary, the SAL Industry Advisory Committee and Board have noted the successful representation and initiatives taken to be present at the Shanghai FruVeg expo and particularly the interest and acknowledgement from Chinese authorities.”

5. Attendance and participation at Nanning China World Fruit and Vegetable Fair – November 2011.

Summerfruit Australia Limited attended and participated in the **Nanning –China Fruit Vegetable Fair** (CHINA FVF-2011) November 4-6th, 2011

The following is a report from the Expo activity:-

“It has been well documented the General Administration of Quality Supervision, Inspection and Quarantine of the Peoples Republic of China (AQSIQ), attendance is welcomed to this event, from industries seeking market access to mainland China. The general secretary of China Entry-Exit Inspection and Quarantine Association (CIQA) made special reference whilst attending the 3rd China – Australia Workshop on horticultural cooperation, Melbourne 19th April 2011, that CIQA was sponsoring this event along with the China Fruit Marketing Association and a number of co sponsors from various government authorities. Nanning is the capital of the Guangxi Zhuang Autonomous Region as well as being one of the largest hubs for horticulture trade in China.

The attendance in Nanning by Summerfruit Australia Limited (SAL) completed the third (3) in a series of trade fairs this year, Hong Kong-Fruit logistica and the Shanghai FruVeg Expo to demonstrate market access aspirations. Subsequent to the Nanning event, confirmation (25/11/11) was received by SAL that an Australia - China Agricultural Cooperation Agreement (ACACA) application has been successful and without this commitment to these regional trade fairs, perhaps circumstances

could have been less rewarding. The ACACA project is an intense study tour of key Chinese growing areas to meet Industry associations, engage in high level discussions with government authorities and agencies that will encompass all aspects of SAL's market access application.

The China FVF trade fair is not only regarded as the marketing platform in China for the global fresh produce industry, but it also offers the unique opportunity, approved by the Chinese government for showcasing fresh produce from countries with no market access to mainland China. (The Shanghai expo was too early for seasonal fruit)

Of the 189 exhibitors, about 32.05% of the exhibitors came from foreign countries. Exhibitors from South-East Asia accounted for 22.22%; the Australia companies 5.98%; USA, Chile, and Spain 3.85%. All of the attendance figures set a new record in the history of this trade fair. Particularly, national pavilions from Australia, Chile, Malaysia, Philippines, Thailand and Vietnam gave the fair a greater attraction this year.

China FVF'11 also saw a larger number of local pavilions from greater China, such as the provinces of Guangxi, Hebei, Hunan, Ningxia, Shaanxi and Xinjiang, which displayed their fruit and vegetable products with local characteristics for trade and exchange of horticultural practices.

China FVF is regarded as the must-attend event. A magnet for traders and growers, but also government officials from Australia, Chile, China, Ecuador, Italy, Malaysia, South Africa, Thailand, US and Vietnam.

Based on a survey conducted by the organisation committee, majority of visitors identified themselves as fresh produce inspection and quarantine officials, fruit & vegetable growers, traders, importers and exporters.

The fresh fruit and vegetable market in China was also the focus of the Fresh Forum organized by CIQA, which attracted 200 delegates from 18 countries. The Forum covered the full spectrum of fresh produce, such as growing and producing in China, the consumption trends, the international trade trends and the inspection & quarantine policies.

Various presentations highlighted the trading conditions and interestingly a large majority was about market access. Cherry Growers Australia presented their market access process and current status. The CIQ officials clearly emphasized that companies and farming enterprises must be registered for the sending of authorised varieties, in compliance with quarantine conditions for their final entry to mainland China, and the labelling must indicate clearly that the goods are destined to the Peoples Republic of China. Ports of entry apart from Hong Kong are Dalian, Tianjin, Beijing, Qingdao, Shanghai, Guangzhou and Shenzhen. Internal distribution can be by vehicle transportation or by a further network of 70 further feeder ports either coastal or river networks.

The Organisation Committee has at the prompting by the Australian delegates decided to move to Beijing in November 9-11, 2012. This venue will be an excellent platform for ongoing market access negotiations to be conducted and possibly the fruition of Summerfruit granted access to mainland China."



L> R- John Moore -SAL; Jan Zhang- Zhejiang Tianbo Import/Export Company, Zhejiang Province; Adrian Conti -SAL



Center -Mr. Ge Zhirong -President CIQA at Nanning Forum



Ms. Amy Guihot- Agriculture Counsellor (Technical) –Australian Embassy, Beijing

6. Summerfruit Australia promotion in Taiwan -2011/12

Summerfruit Australia Limited visited Taiwan and undertook a briefing to importers and wholesalers on the 7th November 2011

The following is a report from the Expo activity:-

“The SAL IAC sanctioned a brief visit to Taiwan to meet with importers and wholesalers to introduce Australia’s stonefruit export campaign for 2011/12. The 2010/11 season was not successful due to the inclement weather events experienced in the Australian growing regions. Australian producers and exporters were confident that quality factors for this coming season were more favourable and importers could expect traditional characteristics of Australian stonefruit.

The Taiwan Austrade officers were very proficient with flagging the Australian marketing campaign and arranged a very well attended evening of leading importers and wholesalers for SAL’s briefing on November 7, 2011. The assembly of 31 representatives from 18 companies were given a detailed description of the marketing strategies as agreed by the IAC and was delivered by Horticulture Australia’s representative Mr. David Weisz.

A key component to this year/s campaign is the targeting of the period between 25th December 2011 to 20th January 2012 which will include the lucrative Chinese New year festival season.

Welcome Supermarkets are aiming for a solid 4 week campaign. They have over 300 stores in Taiwan and consensus is that perhaps a focus on 32 stores, of which will include

- 1) Premium Stores
- 2) Gourmet Stores – T2
- 3) Taipei City & Old City stores –T3

Point of Sale (POS), Sampling, Merchandising & Catalogue's will attract consumer's interest.

Welcome have estimated 5-10 x 40' containers would be required for their campaign, subject to a reasonable season, brix levels, and other specifications.

Separate to this retail campaign will be a volume (Kilogram) Summerfruit campaign that will see a prize pool of AUD\$8,000 which will essentially give a cash rebate return for weekly volume turn over by wholesalers/ importers. (This has been made possible by unused vouchers were the legacy of an earlier Taiwan promotion and the \$value was never expended.) .

AHEA members will be to be invited for expressions of interest to be involved with the Taiwan campaign. Austrade will gauge the imported volumes and track the movements to enable a satisfactory result for those within the Taiwan supply chain and value from the incentives on offer.

The Taiwan market is an essential market for Australian producers and given the large volumes appearing on the domestic market, Taiwan is Summerfruit's emerging and growing market to release some domestic pressure.

The Austrade office in Taipei is well equipped and very capable to monitor the Industry campaign for which Summerfruit Australia Ltd is very appreciative of."



Importers/Wholesalers attending the SAL promotional evening in Taipei.



Visitation to the local Wholesalers market, Taipei City.

7. Prepare a full list of Technical issues relevant to trade in Summerfruit.

The following is a list of technical and other issues that have been raised as part of the activities within this project:-

- Requirement for a more detailed stonefruit visit by Chinese Authorities once the Stonefruit PRA is supplied by China. This will have a purpose built itinerary with structured visits to view commercial export operations.
- Presence of State DPI field officers as part of any inspections is essential.
- DPI staff needs to be able to validate grower's explanation of pest and disease and offer in depth field demonstrations across pest and disease detection, monitoring and checking processes.
- Preparation of concise and collated documentation from orchardists in areas such as
 - spray diaries,
 - chemical lists,
 - pest monitoring schedules
 - orchard management systems
 - traceability of harvesting and packing,
 - transport dispatch
- Documentation to be in a format available for any inspectors
- Availability of a full list of previous season data plus data up until the time of the visit.
- Check list of topics to be considered by Inspectors to be prepared and supplied in advance by Biosecurity Australia. Such documentation should be made available to State Agencies before the inspections.
- Container packaging to be part of any inspection
- Information on and visit to registered fumigation premises and National Monitoring Laboratory for chemical and food health assessments
- Need for a professional interpreter employed by industry to be available for the full period of any visit.
- Mediterranean Fruit Fly and the east/west protocol accepted by the USA needs to be further explained to China.

- Further streamlining of cold treatment protocols
- Light Brown Apple Moth protocols particularly for stonefruit growers close to apple production orchards.
- Queensland Fruit Fly – implementation of the National Fruit Fly Strategy as a matter of urgency.
- Queensland Fruit Fly – acceptable systems approach needs to be developed and accepted internationally
- Queensland Fruit Fly – new chemicals to control the pest in the orchard
- Queensland Fruit Fly – Pest Free Areas, Area Wide management and Low Pest Prevalence need to be developed within the International agreements.
- State Agencies to be in a position to provide current information on any programs including trapping programs and data.
- Information on expenditure for various government strategies and activities like road blocks is needed to present to Inspectors.
- Further involvement in specific market programs eg., Kitchen of the World project in Thailand.
- Lack of adequate Cool chain programs and facilities in targeted markets.

8. Prepare a program of actions for Summerfruit Industry.

The following actions will be implemented by Summerfruit Australia:-

- a) Continue to liaise with Biosecurity Australia and DAFF.
- b) Continue to liaise with the Chinese Quarantine and Inspection authorities.
- c) Attend relevant trade Show and Expos in China, Hong Kong and Taiwan to promote Australian Summerfruit.
- d) Undertake the necessary industry research to support the scientific components of any protocols,
- e) Work with Australian growers and exporters to ensure that the local programs and documentation is of the highest quality when any importing country inspectors visit
- f) Prepare for the Australia China Agricultural Cooperation Agreement visit to China.

9. Develop a full ‘China Market Access’ program.

The Summerfruit ‘China Market Access’ program is detailed within the Summerfruit Industry Strategic Plan but the following are the operational aspects of the program.

Most importantly it is essential that Summerfruit Australia Limited continues to

- a) Liaise with Biosecurity Australia and DAFF to ensure that all necessary pressure is maintained on dealing with the market access issues raised by China.
- b) Liaise with Biosecurity Australia and DAFF to ensure that all necessary pressure is maintained on ensuring that the Chinese authorities deal with the market access issues in a timely manner.
- c) Attend relevant trade Show and Expos in China, Hong Kong and Taiwan to promote Australian Summerfruit.
- d) Undertake the necessary industry research to support the scientific components of any protocols,
- e) Work with Australian growers and exporters to ensure that the local programs and documentation is of the highest quality when any importing country inspectors visit.

In addition Summerfruit Australia Limited needs to utilise the Australia China Agricultural Cooperation Agreement visit to learn more about the Chinese Stonefruit industry and build further relationships with growers, regional authorities and the Chinese Quarantine Services.

10. Inspection Visit by Chinese CIQ & CAIQ Inspectors.

For Summerfruit in the regions of Young- NSW, Coal Valley -Tasmania, Adelaide Hills -South Australia & Lower Yarra Valley -Victoria, the seasonal conditions for 2011 prevented seeing actual harvesting of fruit in these areas. Fruit was viewed on trees. This was not an issue as such, because the principal reason for the visit was for facilitation of the Pest Risk Assessment (PRA) process for Cherries. In the event of a specialist stonefruit PRA inspection a purpose built itinerary will be structured to view commercial export operations, in appropriate areas. BA had advised the CIQ/CAIQ authorities that whilst inspecting the Cherry Orchards, there is every likelihood that the Inspectors would also see stonefruit and given the next work- plan of the Chinese is the stonefruit PRA for Australia, viewing stonefruit orchards would be a 'Heads up' for the Inspectors to gather some preliminary information for their colleagues.

Every opportunity was afforded the Inspectors, at every stonefruit orchard the offer of viewing stonefruit was taken, however the enthusiasm was wavering by the Inspectors for a genuine question and answer with the stonefruit orchardists. Observations of the Inspectors routines in Q&A sessions with cherry growers will be valuable to equip stonefruit growers when the sanctioned stonefruit PRA inspection takes place, (hopefully in November/December 2012). The presence of a state DPI field officer to validate grower's explanations of pest & disease prevalence is a must, as this dispels the conspiracy theory. Tasmania arranged two (2) senior officers to accompany the visit on 8/12/11, and the officers gave in depth field demonstrations across pest and disease detection, monitoring and checking processes. Providing documentation by orchardists of spray diaries, chemical lists, pest monitoring schedules, orchard management systems, tractability of harvesting & packing, transport dispatch etc. all needs to be carefully collated and concise copies presented as and when requested by the Inspectors. It is very helpful to provide complete previous seasons data, up to the current week ending, closest to the visit. Also, a checklist of all topics likely and even the unlikely topics to be scrutinised by the Inspectors must be provided by BA & relevant state authorities (DPI's), prior to any visit, in order for the producers visited, provide answers from the same "page".

Container packing needs to be a part of the inspection and a reassurance visit to an officially registered fumigation premise, and the National Monitoring Laboratory for chemical standards and health standards observations is helpful.

The reliability and confidence of impartial interpretation will require an interpreter that Industry is comfortable with. For the extra cost it is essential Industry has a professional employed for the whole visit when it occurs.

Both Industry CEO's were invited to observe the exit meeting, traditionally a closely guarded meeting between Government to Government. BA and CIQ exchanged overviews of the inspection visit, however the specifics were confidential and Industry was not able to hear off the discrepancies raised by CIQ. Mr. Wang said that there was a need by China to review and make adjustments to the draft cherry PRA

upon their return to China. There was a commitment to expedite the report from this visit to facilitate a final Cherry draft.

A snapshot summary debrief by BA, revealed that the Chinese were concerned at the east /west med fly issue. They are not happy with current BA advice and are not willing at this stage to confer with the USA's acceptance that no med fly is present in the eastern states. Cold treatment regimes will be unfriendly and untenable to producers for on shore treatments for mainland producers. A trend is happening and it points to (for Cherries), Tasmania will be in an easier export “environment” than the mainland producers.

Light Brown Apple Moth is of a point of ongoing “conversation” because the inspectors observed Apple orchards with /close proximity to Cherries & Summerfruit orchards. BA is suggesting that this should not be an issue.

Queensland fruit Fly is going to be an ongoing anchor with whatever mainland Industries do to combat it, whether by systems approach or annihilation. This is where we need a “same page” approach across the affected areas and a history of trapping data, from the DPI’s. Supportive documents that can be provided by authorities of strategies and current programs will be helpful. The inclusion of \$expenditure on various strategies and road block programs would also be helpful for the information gathering undertaken by the inspectors.

Participants.

Mr. Wang Shoumin (Shandong Entry-Exit Inspection & Quarantine Bureau –CIQ)

Ms. Zhang Qiu’e (Chinese Academy of Inspection & Quarantine -CAIQ)

Biosecurity Australia (BA) - Marcus Schortemeyer, Mingtan Liao & 2 staff

John Moore – Summerfruit Australia Limited

Simon Boughey – Cherry Growers of Australia



Chinese Inspectors –front middle Ms. Zhang& Mr. Wang;

L>R: Rear-Mike Oakley, John Moore, Mintang Liao, Ashmay (BA), Ben U’ren–Tas. Quarantine

SECTION 6: TECHNOLOGY TRANSFER

The following dissemination program has been undertaken:-

- The information collected from the three Exhibitions has been collated and made available for the Board of Summerfruit Australia Limited and the Summerfruit Industry Advisory Committee.
- Contact details of ALL potential customers have been collated and are accessible to all Australian Stonefruit growers via the SAL office.
- Relevant information has been made available for inclusion in the Australian Stonefruit magazine.
- Promotional material prepared for use at the Exhibitions is available to growers through the Summerfruit website www.summerfruit.com.au

SECTION 7: EVALUATION

1. Technical and Market Information.

Through the visits to China, Hong Kong and Taiwan, Summerfruit Australia Limited has been able to access additional market access information. Participation in the relevant forums and workshops Summerfruit Australia Limited has been able to learn more about the trading activities of other countries and establish what is required by the industry, growers and exporters to gain/regain market share for Australian stonefruit.

2. Expansion of Contacts within Hong Kong and mainland China

Through the three major exhibitions and the meeting in Taiwan Summerfruit Association Limited representatives made contact with over 1,000 individuals/businesses interested in gaining access to Australian stonefruit. Based on the support of Austrade it is believed that the greatest majority were legitimate enquiries.

3. Attendance and participation at Asia Fruit Logistica – September 2011

This output was achieved through the attendance of John Moore, CEO of Summerfruit Australia Limited at Asia Fruit Logistica

4. Attendance and participation at Shanghai Fruit and Vegetable Expo – October 2011

This output was achieved through the attendance of Ian McAlister, Chair of Summerfruit Australia Limited and John Moore, CEO of Summerfruit Australia Limited at Shanghai Fruit and Vegetable Expo. In addition Summerfruit Australia Limited had a stand at the Expo giving exposure to the Australian Summerfruit Industry

5. Attendance and participation at Nanning China World Fruit and Vegetable Fair – November 2011.

This output was achieved through the attendance of Adrian Conti (SAL Director), Andrew Smith (SAL Director) and John Moore, CEO of Summerfruit Australia Limited at the Nanning China World Fruit and Vegetable Fair. In addition Summerfruit Australia Limited had a stand at the Fair giving exposure to the Australian Summerfruit Industry

6. Prepare a full list of Technical issues relevant to trade in Summerfruit.

Summerfruit Australia Limited has collated a full list of technical issues that will be utilised to determine the programs required over the next two years to achieve market access to China.

7. Prepare a program of actions for Summerfruit Industry.

Summerfruit Australia Limited has collated a program of actions that will be undertaken over the next two years to achieve market access to China and grow exports within South East Asia.

8. Develop a full 'China Market Access' program.

Summerfruit Australia Limited has a China Market Access program that will culminate in the Australia-China Agricultural Cooperative Agreement study tour.

9. Inspection Visit by Chinese CIQ & CAIQ Inspectors.

This output was achieved through the visit of Chinese Inspectors during the period 3rd to 12th December 2011. The Inspectors visited the major growing regions in New South Wales, Tasmania, Victoria and South Australia.

Conclusion:

This Project has been valuable for Industry to progress market access aspirations to the Peoples Republic of China. The Strategic Plan for Industry 2010-2014 identifies the urgency of market access to China.

The project has achieved the KPI's intended by attending and being well received at three trade fairs including networking at the associated forum conferences.

The exposure to the Chinese Inspection audit recently conducted was a valuable insight for the finalisation stages to SAL's market access process. The recent announcement by the Federal Minister for Agriculture, Fisheries and Forestry that SAL's application for Australia - China Agricultural Cooperation Agreement was successful and could be attributed to the related activities undertaken by this project.

The report on the events and activities undertaken and the subsequent expanded activity included was to encompass the Chinese Inspection audit, announced after the project was commenced.

SECTION 8: RECOMMENDATIONS

Summerfruit Australia Limited would make the following recommendations:-

- a) A project be commissioned for 2012/13 to sustain a presence for the Australian Summerfruit Industry to be in attendance at the 2012 Asia Fruit Logistica, Hong Kong and the China Fruit and Vegetable Fairs to be held in Shanghai and Beijing.
- b) Liaison with Biosecurity Australia to prepare a checklist of topics likely to be covered by a future visit by CIQ Inspectors and for that information to be supplied to State Agencies to assist them prepare for a visit.
- c) Prepare stonefruit grower protocols for the management of pests like Light Brown Apple Moth.
- d) Prepare a format for growers to record all appropriate orchard information for presentation at the time of inspection by CIQ Inspectors.
- e) Summerfruit Australia Limited, as a matter of course, engage an independent interpreter to travel with any future overseas visiting Inspectors and/or government officials.

SECTION 9: ACKNOWLEDGEMENTS

Summerfruit Australia Limited acknowledges the work undertaken by both the SAL Board and the Summerfruit Industry Advisory Committee in giving guidance in relation to the Summerfruit R&D program.

Thanks to Summerfruit Australia Limited representatives, in particular Ian McAlister, Adrian Conti and Andrew Smith for giving of their time to travel to China to represent the industry.

Summerfruit Australia Limited would acknowledge the support, assistance and advice given by representatives of the Australian Government representatives in Australia, Hong Kong and China. In particular, thanks to the representatives from DAFF, Biosecurity Australia, DFAT, Austrade posts- Australia, Taipei, Guangzhou, Shanghai and Hong Kong and the Australian Embassy in Beijing.

Summerfruit Australia Limited would also acknowledge the assistance and hospitality of the many Chinese Government officials, industry representatives and traders who assisted the industry representatives during the visits to China.

Summerfruit Australia Limited would acknowledge the support and assistance of AQIS representatives, State Departmental officers and growers during the visit to Australia by CIQ Inspectors.

**APPENDIX A: Revised itinerary for AQSIQ's verification visit during 3-12
December 2011**

Day	Travel	Activity
Sat 3 Dec	0	Beijing to Melbourne
Sun 4 Dec	1	Melbourne/Canberra
Mon 5 Dec	2	Canberra
Tue 6 Dec	3	Canberra/Young
Wed 7 Dec	4	Young/Hobart
Thur 8 Dec	5	Hobart

International flight
1:30pm - Depart Beijing

10:40am – Arrive at Canberra Airport
Met by DAFF officer at Canberra Airport
Prepare for meetings

Overnight in Canberra
Technical discussions in DAFF office
9:00am – 12:30pm - meeting
12:30pm – 1:30pm - lunch
1:30pm – 5:00pm – meeting

Overnight in Canberra
Technical discussions in DAFF office
9:00am – 12:30pm - meeting
12:30pm – 1:30pm - lunch
1:30pm – 4:00pm - meeting
4:00pm-6:00pm: Drive to Young

Overnight in Young
Inspect cherry and summerfruit orchards and observe harvesting, and packinghouse operation
8:00am-12:00pm: Michael Batinich
12:00pm-1:00pm: Lunch
1:00pm-3:00pm: Geoff Hall
3:00pm-5:00pm: Drive to Canberra
7:40pm: fly to Hobart
9:10pm: Arrive at Hobart Airport

(late arrival)
Overnight in Hobart
Inspect cherry and summerfruit orchards and packinghouses:
8:00am-12:00pm: Tim Reid
12:00pm-1:00pm: Lunch
1:00pm-4:00pm: Mike Oakley-J.W.Kirkwoods
4:00pm-5:00pm: Discussions/presentations on Tasmania’s FF-PFA operations by AQIS TAS.

An officer from AQIS TAS will be with the visit

Overnight in Hobart

Fri 9 Dec	8	Adelaide/Melbourne	<p>9:00am: Early morning flight to Adelaide 9:00am: Arrive at Adelaide airport</p> <p>Inspect cherry and summerfruit orchards and packinghouses: 9:20am-10:00am: drive to Summertown, Uraidla 10:00am-12:00pm: Grant Wotton 12:00pm-1:00pm: Lunch 1:00pm-2:30pm: Simon Cornish 2:30pm-5:30pm: R Ceravolo</p> <p>Bruce Wakefield (Area Technical Manager, Horticulture Exports, AQIS) will be with the visit and will help to explain the issues related to orchard and packing facility registration, pre-export inspection and certification etc.</p>
Sat 10 Dec	7	Adelaide/Melbourne	<p>Overnight in Adelaide 7:30am: Depart Adelaide for Melbourne 9:20am: Arrive at Melbourne airport 10:00am-1:00pm: inspect cherry orchards at Wandin Valley 1:00pm-2:00pm: Lunch 2:00pm-6:00pm: Inspect summerfruit orchards and packinghouses at Narre Warren</p>
Sun 11 Dec	8	Melbourne	<p>Overnight in Melbourne 8:00am-12:00am: Inspect cherry orchards and packinghouses at Yarck 12:00pm-1:00pm: Lunch 1:00pm-3:00pm: drive back to Melbourne 3:00pm-4:00pm: MBr fumigation facility in Footscray, VIC 4:00pm-6:00pm: Prepare for Exit meeting</p> <p>wrap up the field visit: (Dinner hosted by Cherry and Summerfruit Industries)</p> <p>Overnight in Melbourne</p>