



Australian Government
Department of Agriculture
and Water Resources



IN-MARKET VISITS

Japan, Singapore and Malaysia



Dianne Fullelove
Melon Industry Development Manager
April 2019

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Background

This project is aimed at regaining market share in key export markets for Australian rockmelons following the Listeria incident in February 2018 which had a significant impact on sales of rockmelons, both domestically and in export markets.

In response, this project is undertaking the following initiatives:

1. Selected markets are Japan, Singapore, Malaysia and the Middle East.
2. Develop information resources to inform and update selected export markets on the current status of food safety for Australian melons.
3. In consultation with Austrade, distribute resources to all melon export markets.
4. Work with Austrade to facilitate in-market consultations in key markets. These are likely to be New Zealand, Japan, Singapore and Malaysia.
5. In-market meetings will focus on informing trade officials and melon importers directly on food safety initiatives to regain confidence in Australian melons.
6. Distribute resources distributed domestically to retailers, processors, health officials and other government agencies.

The outcomes are designed to:

1. Decrease possible market barriers in selected export markets that have arisen since the Listeria incident in February 2018.
2. Provide government agencies, particularly Austrade with information on melon food safety initiatives.
3. Increase the understanding of the Australian melon food safety processes by Australian trade officials in key export markets.
4. Ensure that importing markets have sound commercial and technical information concerning the food safety status of Australian melons.
5. Ensure that industry and government have a common understanding that all participants can understand and work towards.

The melon industry delegation included:

Japan

- Dianne Fullelove, Melon Industry Development Manager
- Dr. Sukhvinder Pal (SP) Singh, Research Horticulturist (Food Safety), NSW Department of Primary Industries

Singapore/ Malaysia

- Dianne Fullelove
- Dr. Sukhvinder Pal (SP) Singh
- Mr Jamie & Mrs Marie Schembri, Melon growers, Nericon, NSW.

Meetings were organised by Austrade officials from each of the target countries. Target meetings were with importers, retailers and government officials. The project was funded by the Department of Agriculture & Water Resources.

Part 1 of the project is now complete, and information contained in this report describes the outcomes from in-market visits to Japan, Singapore and Malaysia in April 2019.

Japan 9-12 April 2019

Austrade Key Contacts

Austrade	Osaka	Tokyo
Key contact	Cindy Lineburg	Kazuko Nishikawa
Position	Senior Business Development Manager	Business Development Manager
Mobile	+81-90-7555-0878	+81-90-4228-6920
Email	Cindy.Lineburg@austrade.gov.au	Kazuko.Nishikawa@austrade.gov.au

Background information

Country Profile <http://dfat.gov.au/geo/japan/Pages/japan-country-brief.aspx>

Market Brief <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Japan/Market-profile>

Itinerary

8 April 2019

Time	Contact, location
Afternoon	Visit retail supermarkets

9 April 2019

Time	Contact, location
6:00am-8:00am	Visit Kobe Wholesale Fruit, Vegetable and Fish Market
2:00pm-3:00pm	Meeting with Kobe Yoko http://www.kobeyoko.co.jp/english/greeting.html Mr. Tamotsu Sugitani Manager, Sales Department (Tropical Fruits) KIMM Building (9 th Floor) T: 078-232-3621
4:00pm-5:00pm	Meeting with AISS http://www.aiss-corp.jp/index.html (Japanese only) Mr. Jino Shinjyo Manager, Sales Sannomiya Center Bldg. West 712 T: 078-325-1011

10 APRIL 2019

Time	Contact, location
9:30am-10:30am	Meeting with M.V.M Shoji http://www.mvm.co.jp/EN/ Mr. Takahiro Watanabe Minatojimaminami-cho 4-6-7 Chuo-ku Kobe T: 078 303 5518 Mobile: 080 1453 5914

11 April 2019

Time	Contact, location
10:30am-11:30am	Meeting with Shinjyuku Takano http://takano.jp/takano/en/ Ms Naoko Kubo, Manager Customer Service and PR Level 8, 3-26-11 Shinjuku Shinjuku-ku Tokyo 160-0022 T: 03-3354-8876 (Mobile: +81 80 20137391) Email: n-kubo@takano.co.jp

2:00pm-3:00pm	<p>Meeting with Union</p> <p>http://www.union-will.jp/ Mr Toyoo Murakami, Project Manager, Division of Project Planning & Development Level 5, Hulic Kobunacho Bldg 8-1 Nihonbashikobunacho Chuo-ku Tokyo 103-0024 T: 03-6667-8152 (Mobile: 080-3716-4090) Email: toyoo@union-will.jp</p>
4:00pm-5:00pm	<p>Meeting with JWM Asia</p> <p>https://jwmasia.com/ Mr Noel Shield, Chief Executive Officer Level 5, Seishin Building, 2-5-10 Shinjuku Shinjuku-ku Tokyo160-0022 T: 03-3358-7641 (Mobile: 080-1066-1179) Email: noel.shield@jwmasia.com</p>

12 April 2019

Time	Contact, location
10:00am – 11:30am	<p>Meeting with DAWR and Austrade at the Embassy</p> <p>Ms Nadia Bouhafs, Agriculture Counsellor Ms Cheryl Stanilewicz, Trade Commissioner</p>
2:00pm-3:00pm	<p>Meeting with Funasho Shoji</p> <p>http://www.funasho-group.co.jp/ Mr Ryusuke Yashiki, Manager, Sale Division 2 Level 5, TSK Bldg 3-8-2 Tokai Ota-ku Tokyo 143-0001 Tel: 03 5492 3700 (Mobile: 080 2055 3533) Email: yashiki@funasho-s.co.jp</p>

Key points

Japanese consumers can be categorised into two groups – over 45s who shop in the traditional way and under 45s (single or married) who dislike shopping and are buying fresh food on-line.

Melons are regarded as a high-end gift product with specialty retail fruit stores selling Japanese-grown greenhouse melons. The gift melons were ‘perfect’ fruit with a set of criteria that guarantees a very high price for the melon. Individual fruit priced at AUD\$260 were seen.

Watermelon is not as popular as melon. There is a large food service industry with small containers of cut fruit readily available.

In Japan, importers would like long consistent supply available from Australia at stable prices. There was a large amount of interest to re-start and grow melon imports.

The highest level of interest was for seedless watermelon for the cut fruit market. Australian seedless was perceived as tasty, a good red colour and to 'hold' well when sliced into chunks. All watermelon observed in Japan was seeded.

There was interest in Piel de Sapo melon and any fruit with a high sugar level including orange-skinned varieties.

There will be further development of value-adding and the future in Japanese retail was pre-packs.

There is a domestic shortage of Japanese-produced melons because of aging growers and Japanese domestic production starting in April but from November to April melons are imported. Christmas sales are very important so a good supplier during this period is needed. Melon is sourced from California and Mexico but hard to get good quality in winter (no brix and no taste).

Issues that have been raised with some Australian fruit:

- Fruit too large for the box and therefore squashing.
- Fruit needed to be clipped not twisted at harvest.
- Ensuring that chemical spray drift was controlled.
- Packaging should be strong enough for sea freight.
- Fruit should be packed ready for delivery to wholesalers as there is no repacking bulk fruit in Japan.
- Prefer 13'-14' brix as a good sweet muskmelon.
- Bulk bins of watermelon would not be acceptable.

Packaging of Australian watermelons is seen as a barrier as there was concern that bulk bins cause damage to fruit. All watermelons observed in Japan were in 10-12kg boxes containing two fruit separated by a cardboard divider. Muskmelon were all high-quality fruit in trays, many with green stem (50-60mm either side of fruit stem) attached.

Sea freight is seen as important to reduce costs; however, packaging is important. Boxes that can withstand the longer transit period were important as was the possible use of modified air packaging to extend shelf-life. Current Australian domestic packaging does not always withstand the rigours of sea-freight and fruit was damaged on arrival

Regarding Australian melon food safety initiatives, importers and retailers understood the efforts of the Australian melon industry to improve food safety practices but felt that the message is not getting to Japanese consumers. It was stated that there needs to be a strong government/industry announcement that Listeria 2018 is over. The Japanese market expects a key message that no pathogens will be found on Australian melons in the future, along with an on-going commitment to food safety.

Japan is developing J-GAP so Global GAP is a recognised standard in Japan. Currently, HACCP is not mandatory in Japan.

Images



Meeting with AISS



Meeting with M.V.M Shoji



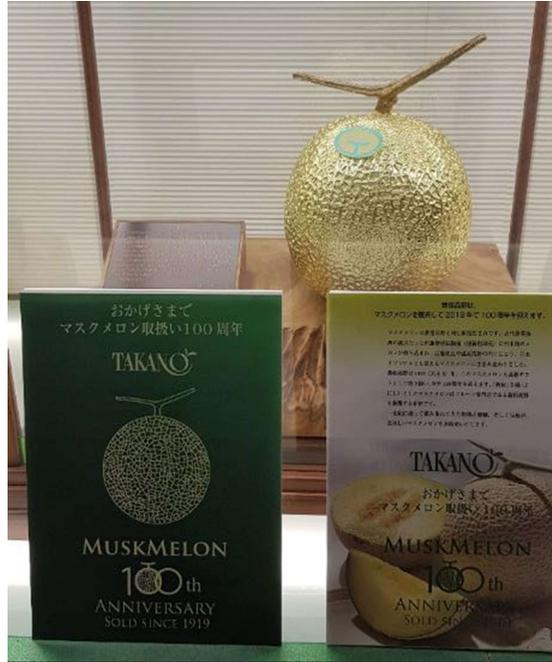
Meeting with Funasho Shoji



Tasting Australian rockmelon with Kobe Yoko.



Australian Embassy in Tokyo



Takano high end retail melon store.



Watermelon packaging



Local Japanese melons



Kobe Central Market



Melon is popular in food service.



High end gift melons

Singapore 15-16 April 2019

Austrade Key Contacts

Austrade	Singapore	
Key contact	Taliessin Reaburn	Janice Goh
Position	Trade Commissioner, Singapore	Business Development Manager, Food and Agribusiness
Mobile	+65 64188427	+65 64188417
Email	taliessin.reaburn@austrade.gov.au	janice.goh@austrade.gov.au

Background information

Doing Business in Singapore <http://www.austrade.gov.au/Doing-business-in-Singapore/default.aspx>

Country Profile <http://www.dfat.gov.au/geo/fs/sing.pdf>

Market Brief <http://www.austrade.gov.au/Singapore-profile/default.aspx>

Itinerary

15 April 2019

Time	Contact, location
9.00 – 10.00am	Meeting with Austrade Singapore Update and briefing to Austrade and States & Territories representatives Venue: Austrade office Australia High Commission 15 Napier Road Singapore 258507
12.30pm – 1.30pm	Meeting with Singapore Food Agency Venue: 52 Jurong Gateway Road, JEM Office Tower, #14-01, Singapore 608550
3.00pm – 5.00pm	Update and briefing , follow by a networking session to the major local fruit importers in Singapore

16 April 2019

Time	Contact, location
9.30am – 10.30am	Meeting with Cold Storage (supermarket chain) Venue: 21 Tampines North Drive 2, #03-01, Singapore 528765
11.30am – 12.30pm	Meeting with Fairprice (supermarket chain) Venue: 1 Joo Koon Circle, #13-01 FairPrice Hub, Singapore 629117

Key points

Singapore is a very important market for Australian melons with 27% of exports landing there. Australian rockmelon was popular until Listeria 2018 when importers switched to other countries. An example was that rockmelon sales were 30% less in March 2019 than in March 2018 in Dairy Farm branded stores.

The message from many importers and retailers was that Australian growers needed to manage more of the supply chain to ensure food safety and brand defence. Retailers in Singapore were very keen to source direct from growers (grower to retailer) to reduce costs and they generally felt that there was potential for Australian rockmelon

Australia needs to differentiate their melons from the Honduras imports as consumers don't know which ones they are buying. The main benefit of importing Australian melons was the closeness compared to the Americas (Mexico, Honduras).

It was also stated that that Australia needs to tell the market and consumers in Singapore about the great food safety work the Australian melon industry have done.

Singapore importers source Piel de Sapo and watermelon from Thailand. The Thai seedless watermelon was very good quality and inexpensive. Australian watermelon would struggle to compete on price with the seedless watermelons from Malaysia which are trucked to Singapore.

There was concern expressed about long shelf-life varieties and their perceived lack of "flavor" and being too firm.

Singapore importers were concerned that watermelon bulk bin spoils the fruit but watermelons and melons for food service come by sea freight in bulk bins. The standard expected of Australian fruit seemed to be higher than that expected for fruit sourced from other Asian countries.

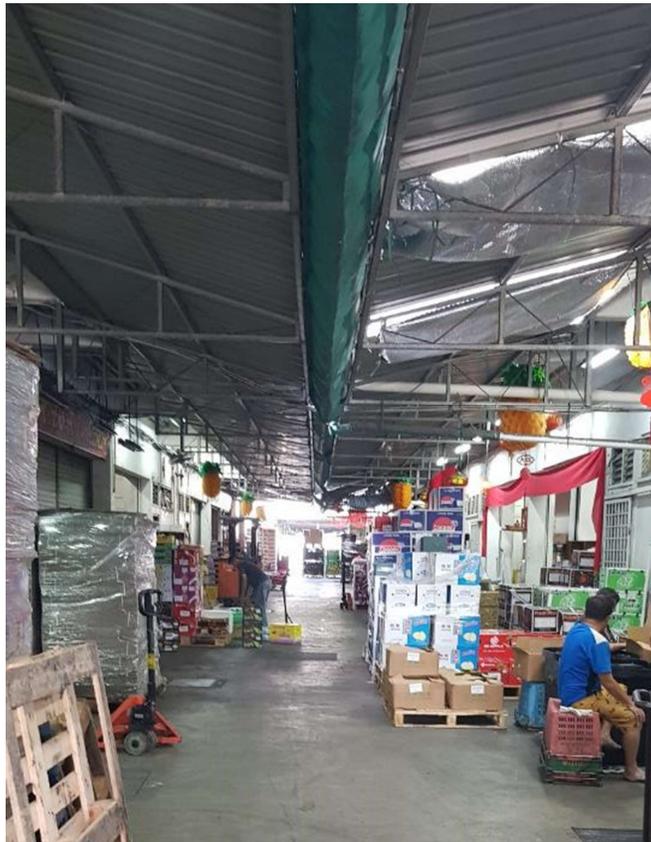
Exporting from Darwin could save up to \$4.50 per carton and make northern exports very profitable. However, access to freight forwarders in the north was an issue.

The Singapore Food Agency (SFA) is a new government department to regulate the entire food chain – farm to retail. Representatives were interested to understand the melon food safety status in Australia and were keen to see a good traceability system. The SFA discussed the problem of a trade level recall in overseas markets where fruit consignments are broken up and trans-shipped to other countries.

Images



Australian melons



Singapore central market



Malaysian watermelon and melon





Attendees at Singapore seminar



Singapore retail visits





Freshcuts are prepared in-store.



Different types of melon in Singapore retail stores.



Malaysian seedless watermelon

Malaysia 17-18 April 2019

Austrade Key Contacts

Austrade	Malaysia	
Key contact	Liew Kong Cheng (KC)	
Position	Business Development Manager – Agribusiness, Food and Beverage	
Mobile	+6018-376 4073	
Email	Kong.Cheng@austrade.gov.au	

Background information

Visiting Malaysia <http://www.tourism.gov.my/>

Doing Business in Malaysia <http://www.malaysia.gov.my>

Country Profile <http://www.dfat.gov.au/geo/malaysia/>

Itinerary

17 April 2019

Time	Contact, location
10.00 AM	Market Briefing with Austrade Australian High Commission, 6 Jalan Yap Kwan Seng, 50450 Kuala Lumpur
10.30 AM	Market Briefing with DAWR – Hafiz Burkhan Australian High Commission, 6 Jalan Yap Kwan Seng, 50450 Kuala Lumpur
12.00 PM	Lunch Meeting with Ministry of Health Graze Restaurant, Level 4, Hilton Kuala Lumpur, Kuala Lumpur Central, 50470 Kuala Lumpur
2.00 PM	Discussion with the Food Purveyor Exchange A, Level 6, Hilton Kuala Lumpur, Kuala Lumpur Central, 50470 Kuala Lumpur

2.00 PM	<p>Australian Melons Association Seminar</p> <p>Venue: Exchange A, Level 6, Hilton Kuala Lumpur, Kuala Lumpur Central, 50470 Kuala Lumpur</p> <p><u>Program schedule (Official Start at 1430PM):</u></p> <ol style="list-style-type: none"> 1. Welcome & Introductions 2. Australia’s Biosecurity and Food Safety Systems (DAWR) 3. Overview of the Australian melon industry and export capacity 4. Overview of Australia’s food safety system 5. Australian melon and food safety system
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19 April 2019

Time	Contact, location
10.30 AM	<p>Supermarket Visit (Isetan, Cold Storage, Village Grocer)</p> <p>KLCC & Avenue KL</p>
1.00 PM	<p>Supermarket Visit & Lunch (Ben’s Independent Grocer)</p> <p>The Linc KL</p>
3.00 PM	<p>Meeting with Euro-Atlantic – Ebby Loo & Su’aidah Ahmad</p> <p>Lot 341, Jalan Pinggiran 2, Pinggiran Ukay, 68000 Ampang, Selangor</p>

Key points

Fresh produce from Australia is considered a premium product in Malaysia. Smaller sized rockmelon are preferred in the Malaysian market. Malaysia is regionally known for its seedless watermelon with a standard seedless watermelon whole fruit retailing in KL for AU\$1.60.

Following Listeria 2018, Malaysia increased the level of inspection for Australian rockmelon from normal examination and monitoring to a higher level, where the incoming rockmelon underwent Hold, Test and Release (HTR) examination.

At the time of the visit, the Rombola brand was still under a test and hold in Malaysia (April 2019) This was impacting on all Australian melons which were also, unnecessarily being tested. The Ministry of Health agreed, as a result of this trade visit, to remove specific testing on Rombola brand fruit which should benefit importing of all Australian rockmelons.

There was interest in sourcing direct from growers with sea freight to help reduce price. Sea freight to Kuala Lumpur is a week longer on the east coast compared to the west coast of Australia.

Retailers are just starting to stock rockmelon again and one importer has started to reduce the price to increase sales. Consumer promotions were requested by several retailers and importers.

Discussions were held about retailer education and the melon industry has committed to a retailer seminar later in 2019.

Images



Malaysian export seminar



Austrade staff with Australian trade delegation



Meeting with Euro-Atlantic



Importer distribution centre



Australian melon in Malaysian retail stores.



Melon is cut longitudinally.



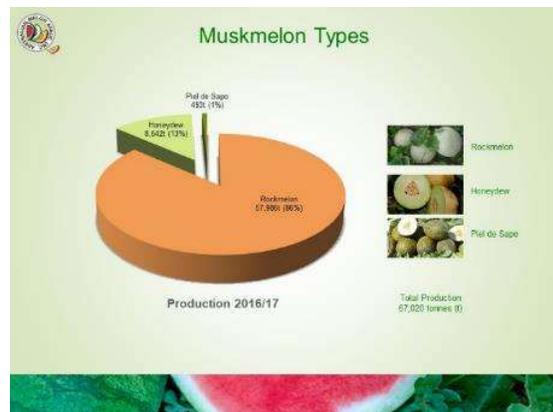
Melon with long stem.



Labelled fruit.

Appendix 1 Presentation

This presentation was used in all meetings and seminars. A Japanese language version was also used. The presentation is available for distribution to all parts of the market. Request a copy from the Industry Development Manager idp@melonsaustralia.org.au





Muskmelon Types

Muskmelon Types



Watermelon Types

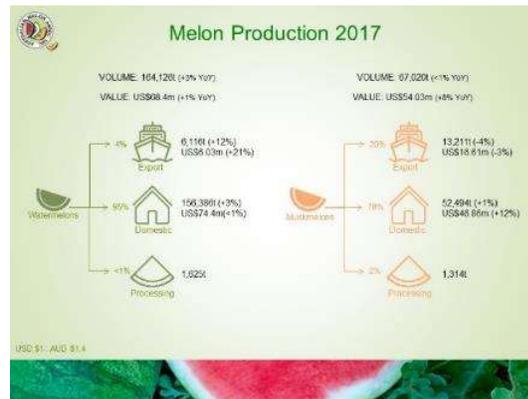


Growing regions - North

Growing regions - Central



Growing regions - South



Field growing



Our people



Export Market





Australia's Food Safety System

Australian agricultural producers reliably deliver safe, clean and sustainable premium products.

Integrated and Consistent Framework Accredited food safety programs

Australian governments and industry in the supply chain work together to ensure the safety of Australian produce.

- ✓ Independent parties verify and accredit food safety programs.
- ✓ Robust traceability and recall management
- ✓ Fresh produce is protected at all stages in the supply chain

Australia's Food Safety System

Who is involved?

- Food Standards Australia New Zealand (FSANZ)
- Government & Universities
- Ministerial Council FSANZ Act
- State & Territory Departments of Agriculture & Public Health and Local Governments

ANZ Food Standards Code

- Protects public health and safety
- Provides information to consumers
- Prevents misleading and deceptive conduct
- Updated using contemporary scientific and clinical knowledge
- Standardised between Australia and New Zealand
- Consistent with international standards
- Adopted into State Food Acts

Identification, surveillance, prevention and control of foodborne illness

- Accreditation using
 - ✓ Internationally recognised standards
 - ✓ Accreditation bodies
- Monitoring of
 - ✓ Microbial pathogens
 - ✓ Chemical residues
 - ✓ Environmental contaminants in products

Food Risk Response System

Rigorous, Rapid, Effective Best Practice

STRATEGY	RESPONSIBLE AGENCY	ACTION
National Food Recall System	Coordinated by FSANZ to remove from sale, distribution and consumption any food with an unacceptable safety risk	<p>Trade level recall – recovery of product from supply chain before it is available to consumers</p> <p>Consumer level recall – the most extensive measure, involving the recovery of product from all points of production and distribution chain</p>
National Food Safety Network	Coordinated by FSANZ to share and validate information on food safety risks	Assesses risk and provides information
National Food Incident Response Protocol	Overseen by state/territory food regulatory agencies with coordination by FSANZ	Provides formal arrangements for coordination of response during a food safety incident

Accredited Food Safety Programs

Australian fresh melons for export demonstrate compliance with one of the accredited food safety programs listed below

Programs are based on Hazard Analysis Critical Control Point (HACCP) principles and supported by Good Agricultural Practice (GAP)

FRESHCARE
Food Safety & Quality

SQF
Safe Quality Food

GLOBAL G.A.P.
Global Good Agricultural Practice



Australia's Melons: Safe, Healthy and Delicious



Freshcare: On-Farm Food Safety

www.freshcare.com.au

- Most widely adopted on-farm food safety program in Australia
- Based on HACCP principles and good agricultural practice (GAP)
- 7,500 accredited fresh produce businesses
- Annual third party audit to maintain accreditation
- Freshcare covers both food safety & quality requirements and management practices
- These include site selection, water, fertilisers, chemicals, allergens, premises & equipment, pest control, people, suppliers, food defence, food fraud, ID, trace and recall



Food Safety for Australia's Melon Industry



Food Safety Programs

Provision of food safety expert advice to all muskmelon growers

Food safety programs developed on scientific evidence-based best practice

All melon export growers use a food safety program



Environment

Open fields with clean fresh air

Irrigated with tested clean water

Monitoring of microbial pathogens, chemical residues and environmental contaminants



Research & Training

World-class R&D support to the industry

Melon growers participate in HACCP training



Delicious Australian Melons

Fresh, sweet and perfect for export



Safe

High food safety standards with all export growers having a HACCP-based food safety program

Biosecure through isolation



High Volume

Volumes increasing and available for export

Increased crop planting

Higher demand



Proximity

Short shipping times to Asia and elsewhere

Arrival often with 14 days

Cheaper logistics



High Quality

Fresh sweet melons

Stringent quality management

Comprehensive monitoring of food safety



For more information, please contact:

Dianne Fullelove
 Industry Development Manager
 idp@melonsaustralia.org.au
 www.melonsaustralia.org.au



Appendix 2 Meeting notes

Japan

Retail supermarkets

Kobe Wholesale Fruit, Vegetable and Fish Market

- All watermelons were in 10-12kg boxes containing two fruit separated by a cardboard divider. Muskmelon were all high-quality fruit in trays, many with green stem (50-60mm either side of fruit stem) attached.
- Many manual trolleys and small electric carts with very few forklifts or bulk handling technology.
- Deliveries were being broken down out the back with small displays at each wholesaler.
- Retail consignments were being picked and looked very small in volume.

Kobe Yoko

- They import half to one 40' refrigerated reefer of melons from Mexico per week.
- Both showed much interest in the Piel de Sapo melon.
- Concerned about watermelon in bulk bins and not boxed (2 x 5kg) as done in Japan.
- Kobe Yoko purchase on price.
- Source fruit from California July to October; Southern Mexico January to June. This fruit can be unsatisfactory with brix 6'-9' "taste like a cucumber".
- They see a domestic shortage of Japanese produced melons because of aging growers.
- Prices are always quoted per 10kg box landed in Japan.
- Sell to processors and wholesale.
- Only 10% of the overall melon market with the domestic production supplying most of the market.
- Mexico sends in sea container (2-3 weeks delivery).
- In December 2018, imported Orange Candy from Australia by sea container.
- Fruit needed to be clipped not twisted at harvest.
- Fruit should be packed ready for delivery to wholesalers.
- No repacking bulk fruit in Japan.
- The market is very small in Japan for watermelon – mainly only summer fruit supplied well from domestic productions.
- 13'-14' brix as a good sweet muskmelon.

AISS

- Had a sample of Australia muskmelon imported by sea-freight. An Agrifood Technology food safety microbiological report accompanied the consignment.
- Used X-tend box liners to help with the two-week shipping time. The brix was about 14’.
- Japanese domestic production started in April and from November to April import melons.
- If Australia supplied during this period would be competing with 30-40 containers (40’ refrigerated sea containers) per week from Mexico arriving in Japan.
- AISS import about 1000 cases per week.
- Watermelon is a very popular summer fruit only with retail prices being around Y398 each for small watermelon.
- Muskmelon were traded in 14kg boxes with 6-8 fruit per box being the standard size.
- Prefers sea freight (to reduce costs) and prefers muskmelon to be covered individual protective nets.
- Indicated that 1440 cases fit in a 40’ container and that his company could easily sell one container per week.

M.V.M Shoji

- Would like to re-start and grow melon imports and would also like to get samples of seedless watermelon to test with his customers for mixed fresh cut fruit market.
- Bulk bins of watermelon would not be acceptable in the Japanese market.
- Customers would like the long consistent supply available from Australia at stable prices.
- Need in the market for consistent quality fruit.

Shinjyuku Takano

- Takano is a high-end fruit focused retailer.
- Sells Australian mango, grape and watermelon
- Celebrating their 100th year of business as a with gift musk melon as their main corporate logo & graphic.
- Spring/summer is the best melon retailing time in Japan.
- The “Honey Kiss” and Sugar Kiss” label generated much interest and they thought it would go well when translated into Japanese.
- Takano offered a melon tasting after the meeting.
- They work closely with Zespri and FSANZ on importing kiwifruit.
- Very interested in fruit traceability.
- Takano indicated that Japan prefers a fully netted muskmelon type.
- Takano noted that not all their products are skin-on. Their fresh-cut melon products don’t need good skin quality.
- Takano are looking for sweet & juicy fruit. They provide cut fruit into a dessert range of products.
- Takano would like better quality melons in the Japanese winter (Australian summer).

- Currently import Californian melons which often fall a bit short of their quality requirements.
- Takano hold melon preparation and cooking classes to help educate consumers. (The group viewed a room of 12 female consumers being shown how to cut a muskmelon for eating following the meeting).
- Takano would like samples from Australia and somebody that can talk about the samples in Japanese. Social media presence could also support the Australian melons.

Union

- A 48-year-old company with 4 divisions (Citrus – was the main business, Tropical Fruit (now the main business), Vegetable, and Banana/Pineapple). They traded 23 million cartons last year. 65-70 million cartons of bananas in total were imported into Japan last year.
- Union is the biggest fruit and vegetable importer in Japan.
- Union gets melon from California but hard to get good quality in winter (no brix and no taste – both from California and Mexico).
- Discussion around watermelon in bulk bins verses 2 per box. Union indicated that Japan sells fruit on count rather than weight.
- Prefer to get a continuous supply of fresh fruit rather than monthly consignments and try to extend shelf-life with cold storage.
- Union knew about FreshCare and knew that Australian retailers required a food safety program, but HARPS seemed new to them.
- Need a strong govt/industry announcement that Listeria 2018 is over.
- One Australian exporter is undertaking a weekly microbiological testing program to help ensure their melon food safety.
- Understood what the Australian melon industry is doing to improve food safety practices but felt that the message is not getting into Japanese ears and therefore the Japanese buyer/consumer is still a bit scared.
- Requested POS material telling the melon story.
- Felt that Australian watermelon when cut into food service cubes stayed firm and kept their shape
- Christmas sales are very important so a good supplier during this period is needed as the Mexican fruit is poor quality.
- Problems with some Australian fruit being too large for the box and therefore squashing

JWM Asia

- Issue of yellow-skinned fruit having a stem-end rot issue. (possibly a twisting rather than snipping).
- The future was value-adding and the future in Japanese retail was pre-packs – hence the smaller size fruit were becoming higher in demand.

- Categorized Japanese consumers into two groups – over 45s who shop in the traditional way and under 45s (single or married) who dislike shopping and are buying fresh food on-line.
- For promotion need to have in-shop staff either sample tasting or selling to consumers.

Department of Agriculture & Water Resources (DAWR) and Austrade at the Australian Embassy

- Asked about the branding of Australian melons regarding product differentiation and as a healthy food.
- There was discussion about “announcing” the Listeria 2018 issue being over. Austrade indicated that they may be able to write an Australian government letter for such.
- Japan is developing J-GAP so Global GAP is a recognised standard in Japan. She observed that HACCP is not mandatory currently in Japan but soon will be.

Retail outlets

Funasho Shoji

- Asked what the outcomes of the food safety project were. Project team indicated there had been NO Listeria, E. coli, or Salmonella incidents since the project started. There had been huge changes and improvements by growers in food safety with no incidents.
- The Listeria 2018 was one farm only, however a lot of melon farm monitoring for food safety is occurring. There is increased grower understanding of food safety systems as well.
- Food safety is very important to their business. They welcome the Australian initiative and noted that this is the first Australian melon industry visit to their company.
- Noted that Australia needs to “announce” to the market that melon food safety is happening. They expect a key message to be that no pathogens will be found on Australian melons in the future along with an on-going commitment to food safety.
- Observed that the Japanese consumers must be convinced and asked how they can trust the Australian melon food safety system.
- We offered to host a visit to Australia by representatives of their company if they wished to meet growers and see firsthand the safe food practices they use.

Singapore

Austrade Singapore

- Food Hotel Asia (<https://www.foodnhotelasia.com/>) was held in Singapore with the next event to be held in 2020. Over 200 Australian delegates attend with over 70,000 attendees in total.
- Cold Storage and Fair Price are the two main retail outlets with Giant being a more Cosco-like store.
- Traceability is important for Singapore so could be a good market example.
- Important to talk about “quality systems” rather than individual incidents.
- Local market thinks the watermelon bulk bin spoils the fruit but melons for food service by sea freight come in bulk bins.
- Surprised at the technology and sophistication on farm now, especially in the sheds.
- Discussed exports from Darwin. NT needs growers to band together to get transport companies to do better freight deals.
- Growers could save up to \$4.50 per carton if they could export directly from Darwin instead of Sydney.
- Singapore transshipped 60% of fruit that comes into Singapore.

Fair Price

- Fair Price is a co-operative & not a for profit company Set up by the Singapore Government as a mechanism to ensure affordable food is available to its population – puts pressure on private companies to keep food prices affordable.
- Already import Piel de Sapo and watermelon from Thailand.
- Benefits to their business from importing Australian melons was the closeness compared to the Americas (Mexico, Honduras).
- Rockmelon was popular until Listeria 2018 and the importers switched to other countries.
- Potential for Australian melons now 12 months after the issue.
- As retailers they prefer to source direct from growers (grower to retailer) to reduce costs.
- Consistent volume and quality are the key.
- More potential for Australian rockmelon
- Australian watermelon would struggle to compete on price with the seedless watermelons from Malaysia which are trucked to Singapore.
- Korean rockmelon retail at \$2-\$3 per piece for a small fruit.
- Asked about promotional or educational materials for consumers.
- Asked how Australia manages climate extremes such as drought
- Do MOUs for mutual commitment. Prefer consistent supply volume – have had issues with Australian avocado supply being sporadic due to domestic price fluctuations.

Singapore Food Agency (SFA)

- SFA is a new agency setup to regulate the entire food chain – farm to retail.
- Asked who was testing for the pathogens on all the fruit and whether every consignment would be tested? Growers do regular tests and keep all their results. These results are made available to all buyers plus the random pathology tests he undertakes as part of the melon food safety project.
- Singapore was keen to see a good fresh fruit & vegetable traceability system.

Update and briefing to the major local fruit importers

- Issue about exporters in Australia just pushing fruit out to move it through the supply chain.
- Growers needed to manage more of the supply chain to ensure food safety and brand defence.
- An importer observed that Australia needs to tell the market/consumers in Singapore about the great work the Australian melon industry have done. Australia needs to differentiate their melons from the Honduras imports as consumers don't know which ones they are buying.
- Indicated that Australian melon growers don't get any feedback from export markets (blockage at the exporter/importer part of the supply chain) and that growers would like very much to get feedback from importers/retailers/consumers.
- General discussion about long shelf-life varieties and their lack of "flavor" and high firmness.
- Importers indicated they thought the following transit times were the norm for sea-freight fruit consignments from Australia to Singapore:

Perth: 6-7 days

Adelaide & Melbourne: 10-12 days

Brisbane: 9 days

Visited warehouse facilities

- Discussion on packaging, varieties, information flow, quality.

Cold Storage

- Giant brand requires good food safety and traceability.
- Problem of a trade level recall in overseas markets where fruit consignments are broken up and trans-shipped to other countries.
- Important for the Australian melon industry to show their customers the safety process used. Provide single page promotional material that does this.
- Rockmelon sales were 30% less in March 2019 than in March 2018 in Dairy Farm branded stores.
- Dairy Farm are looking to buy direct as much as possible to shorten the supply chains.

- Noted that Australian melons had a great story but how do we together get that story to the consumer.
- USA Bluebook example of accredited growers.

Retail visit - Cold Storage

Malaysia

Austrade Kuala Lumpur

- Following Listeria 2018, Malaysia blocked all rockmelon imports; ban was lifted but there is still resistance to the implicated brand.
- Main retailers in Malaysia:
 - Village Green
 - Bens Independent Grocer – BIG
 - Jaya Green – target the family market and do direct imports
 - iSetan – only have 2-3 outlets in Malaysia
 - Aeon (formerly Jusco)
 - GCH – is the local entity of Dairy Farms
 - Giant – has a network of 80 shops across Malaysia
- Fresh produce from Australia is considered a premium product in Malaysia.

Department of Agriculture & Water Resources

- Taste Australia campaign helpful in Malaysia for the Australian summerfruit campaign.
- It provided good “brand” recognition in the market and helped keep it front of mind.
- Apples do a separate program of technical training aimed at importers and retailers whilst Taste Australia was aimed at consumers.
- Retailers get the importers to do the marketing campaign. Summerfruit share the cost with retailers.
- Smaller sized rockmelon are favoured in the Malaysian market. Malaysia is regionally known for its seedless watermelon with a standard seedless watermelon whole fruit retailing in KL for RM5.00 (AU\$1.60).
- At this time, only Rombola fruit is always tested on entry on a test-and release basis.
- “Premium affordable” maybe the niche for Australian melons.

Malaysian Ministry of Health

- Lunch with representatives of the to discuss food safety issues and protocols pertaining testing of Australian melon imports.

Melons Seminar

- Major local fruit importers, retailers and relevant government departments (Ministry of Health)
- Taste testing of BJ Melons fruit.
- Discussion on shelf life of Australian melon

- Interest from the audience in visually assessing maturity of displayed rockmelon.
- Explained difference between quality and food safety.
- Size of the fruit related to brix levels - very young (small) fruit won't be sweet but once they get close to full maturity, the size doesn't relate to brix.
- Discussion on wild animal issues and - pickers are trained not to touch affected fruit.
- Ministry of Health officials expressed confidence in Australian melon food safety.

iSetan, Cold Storage, Village Grocer and Ben's Independent Grocer (BIG)

Euro-Atlantic distribution Centre

- Promotional company video.
- Promotions undertaken with company budget – usually linked to the arrival of a large consignment on sea-freight.
- Requested assistance to fund this or provide material. Noted that the industry does not have a marketing levy. Were happy to accept any promotional materials the industry may develop.
- Company import data for rockmelons:
 - 2017 – 5,000 cartons
 - 2018 – 3,000 cartons in Jan, Feb, Mar and stopped until Nov after Listeria 2018
 - 2018 –5,500 cartons
 - 2019- (to date – Jan, Feb, Mar, Apr) 3,500 cartons
 - Mainly from WA.
- Euro-Atlantic interested in sourcing direct from growers with sea freight to help reduce price. Problem of time from Sydney to KL takes a week longer than Perth to KL.
- Consumers still have some negative consumer perceptions.
- Retailers are just starting to stock rockmelon again and Euro-Atlantic have started to reduce the price to try and ramp up rockmelon sales.
- Promotion from the Australian end of the supply chain would be most welcome. Ideas discussed include - contest run that includes QA & food safety.
- Retailers are reluctant to start re-stocking rockmelon.
- May educate retailers but cannot market direct to consumers. The R&D levy can be invested in many things except direct consumer facing activities.
- Social media such as EA's Instagram and Facebook channels could be used. EA also do roadshows, competitions and in-store demonstrations. The meeting then viewed the Euro-Atlantic web page and the "Love Aussie Melons" Facebook pages.
- Discussion of branded melon variety owners funding their own brand development and promotion and not relying on generic industry promotions.

- Euro-Atlantic had tried the “Dinosaur Eggs” melons and although they were high brix, they got to soft. (May have been over-ripe?).
- Grower having viewed the way rockmelon were photographed and presented on the Euro-Atlantic web page, suggested cutting the rockmelons across their equator (rather than stem end to base) since it displays the fruit better.
- Training on how to handle and display rockmelon was discussed and it was thought that hand-on training of three Euro-Atlantic staff plus three retailers’ staff (Village Grocer, Jaya Grocer and Aeon) by AMA would be very beneficial.
- The group agreed that there was the possibility to stop over in KL to do this training on the way to the Middle East in Sept 2019.
- Melon costume for use in-store or a mini-rockmelon soft-toy or melon helmets (eg Vodaphone cricket promo two seasons ago).
- Promotions with fruit sampling was a very effective method. They had cleared a 40’ container load (1,440 cartons) in less than a week with such methods.
- EA import rockmelon all year round.
- Euro-Atlantic were interested in marketing yellow-skin rockmelon and noted that Piel de Sapo didn’t sell well in KL.
- Following the meeting the delegation toured the distribution centre floor where orders were being assembled and a 40’ container of Australian rockmelon was being unloaded.