



**EXPORT MARKETING STRATEGY
FOR
SUMMERFRUIT
2015/16**

APPROVED BY HEA 2 December 2015

This Export Marketing Strategy contains 24 pages

Summerfruit New Zealand Export Marketing Strategy for Summerfruit 2015/16

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1. Introduction

Product Group Structure

Summerfruit New Zealand is a recognised Product Group under the New Zealand Horticulture Export Authority Act 1987 (HEA). An export licence (or exemption) is required to be held by any person exporting fresh summerfruit (apricots, cherries, nectarines, peaches and plums).

Summerfruit NZ is an incorporated society with eight Directors; five growers and three exporters. The exporter Directors are appointed by recommendation of the Summerfruit Exporters Committee, while grower Directors are voted on annually by the industry.

As at 1st of October 2015 the Directors are:

Growers:	Gary Bennetts (Chairman)	Exporters:	Dean Astill
	Tim Jones (Vice chairman)		Tjeerd Smilde
	Earnscy Weaver		Tracey Burns
	Stewart Burns		
	Roger Brownlie		

NZ Market Representative (co-opted): Simon Tallon

Industry Background

The export season commences with cherries in December, followed by apricots in January, and peaches and nectarines, finishing in March. Cherries and apricots dominate exports. The main export region is Central Otago, with some cherries exported from Marlborough.

Export volumes (t) and value for the last seven seasons are as follows,

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
Apricots	1,035	1,505	1,016	1,029	961	1,305	824
Cherries	1,537	1,308	1,660	1,399	1,452	1,644	2,997
Nectarines	29	4.5	14	4.3	24.3	5.2	7.7
Peaches	23	42	55	36.6	46.3	39.2	6.9
Plums	27	15	36	15.7	25.4	38.2	32.6
Total value (\$m)	\$30	\$31	\$31.6	\$32	\$28.7	\$36.2	\$58.3

* Statistics NZ figures

2. Horticulture Export Authority (HEA)

HEA is the statutory authority charged with the application of legislation – NZ Horticulture Export Authority Act (1987). HEA's functions are defined by the Act and include:

- Working with Product Groups in the development of their EMS
- Approving and enforcing EMS requirements
- Export licensing
- Monitoring & enforcement of license holders
- Trade access advocate for horticulture
- Lobbying government on relevant issues

2.1 Rationale for the EMS

Under s26 of the HEA Act an Export Marketing Strategy (EMS) must be formulated for a recognised product to be subject to export licensing. This EMS is the document that sets out the summerfruit industry's collective marketing objectives and the means by which it has agreed to attain those objectives.

An export licence (or exemption certificate) is therefore required to be held by any person exporting fresh summerfruit.

2.2 Statement of Responsibility for enforceability of the EMS

The HEA can only enforce certain provisions of the HEA Act against exporters, i.e., predominantly those relating to breaches of licence conditions and prejudice to the EMS. Where a licensed exporter is alleged to have breached the conditions of its licence or the EMS then this may be investigated by the HEA according to the EMS breach procedure in s4.2 of the HEA Policy & Procedures Manual.

Summerfruit NZ has the responsibility for monitoring and enforcing grower and packhouse compliance with the EMS. HEA recommends all Recognised Product Groups have a documented process for investigating an EMS breach.

Where a grower or packhouse is alleged to have breached the EMS it is the responsibility of Summerfruit NZ to investigate and if necessary enforce any instances of non-compliance against the grower or packhouse. Summerfruit NZ must notify all licensed exporters and HEA of any action(s) taken against a grower or packhouse following an investigation.

The main reason for the HEA, as well as exporters, being notified of any action taken against growers or packhouses is to ensure that the HEA and exporters share the same knowledge about any shortcomings in a grower's or packhouse's operations that could prejudice the aims of the EMS.

2.3 EMS Review

HEA recommend that the period between reviews of the EMS does not exceed three years. Summerfruit NZ updates the EMS annually in line with HEA recommendations.

3. Vision

Summerfruit NZ's vision for the NZ industry is,

Vision: A vibrant summerfruit industry focused on both the New Zealand and export markets, which is profitable and sustainable

The specific objectives to achieve the vision include attention to,

- Market access
- Safe food
- Quality
- Differentiated products
- Economics
- Sustainable production
- Biosecurity and protection of markets

4. Summerfruit NZ Export Objectives

The objective of Summerfruit NZ is to provide leadership in facilitating the efforts of all those participating in the industry to maximise the ongoing profitability and viability of their business. Summerfruit NZ supports the need to have an integrated approach to market development, quality management and research and development. Information from the industry and back to the industry is an integral link in achieving industry goals.

The strategic objectives of Summerfruit NZ are focused on mid to long term direction for the business and are annually reviewed in light of continued experience.

4.1. Export Market Development

Objectives

1. To have a co-operative approach for the orderly development of new markets.
2. Gain critical mass and consistent supply.
3. To preserve and develop the export programmes to Australia.
4. To preserve and develop the export programmes in emerging markets, particularly in Asia
5. To reduce tariffs and remove other trade barriers, in particular quarantine restrictions that constrain trade.
6. Identify potential new markets and specific market requirements and understand current market dynamics.

4.2. Quality

Objectives

1. Maintain a high standard of quality throughout the whole system (growing, packing, exporting etc.).
2. Improve orchard, packhouse, storage and transport coolchain management.
3. To maintain customer confidence through the food safety programme.

4.3. Research and Development

Objectives

1. Develop commercially successful new cultivars
2. Quality fruit free of pests and disease
3. Produce quality fruit giving priority to methods that are the safest possible to human health and the environment
4. Longer storage life
5. Nil detectable spray residues
6. High rate of technology uptake and innovation

It is important that export criteria be taken into account when research priorities are being considered. The above objectives reflect the requirements of the export industry. Currently exports represent around 30% of the total industry's production and 50% of the value. There is a focus on developing suitable cultivars for export in terms of seasonal spread, shelf storage and consumer preference.

4.4 Information and Communication

Objectives

1. To encourage a coordinated approach to the collation and sharing of information
2. Collection and dissemination of information in relation to industry issues (e.g. research, marketing, distribution and production)

The industry must operate to similar standards and work towards the same objectives, therefore it is important that everyone receives the same information on which to base decisions. Greater efficiencies can be achieved if generic information can be collected and analysed on an industry basis. The quality of the information is of utmost importance as it must be accurate, relevant and timely to be of value to the industry at large. The industry magazine *Summerfruit* and e-newsletter *Prunings* facilitates this process. Further information is made available to members via the industry website www.summerfruitnz.co.nz

Management of Sensitive Commercial Information

Summerfruit NZ will not use or divulge any information provided to it for any reason other than for the purpose for which it was disclosed to Summerfruit NZ. This includes information that is,

- stated as commercially confidential,
- a trade secret, or

- may unreasonably prejudice the commercial position of the person who supplied the information.

4.5 Packaging

Objectives

1. To ensure fruit is delivered to the market in optimum condition.
2. Packaging used for exporting summerfruit has been developed to cope with the rigours of export.

5. Terms of Trade

Terms of Trade Between Exporters and Growers

Exporters shall enter into written agreements with all grower suppliers prior to the export of any summerfruit. These agreements will detail the terms of trade of how summerfruit will be purchased and sold.

6. Industry Participants Responsibilities

This section of the EMS outlines the responsibilities which all participants must meet. Any failure to comply with the requirements of this EMS jeopardises an industry participant's ongoing ability to be involved in the export of New Zealand summerfruit. Summerfruit NZ retains the right to revoke any registration in such instances.

6.1 RESPONSIBILITIES – ALL PARTICIPANTS (exporters, growers and packhouses)

6.1.1 Definitions

Exporter: Holders of an apricot, cherry, nectarine, peach and plum export licence (together known as summerfruit) under the New Zealand Horticulture Export Authority Act (1987).

Grower: Any person who is a lessee or owner of land on which it is intended that summerfruit will be grown for fresh export.

Packhouse: Any person who is the lessee or owner of premises or machinery on which it is intended that summerfruit will be packed for fresh export.

Exemption Holder: Any non-licensed exporter who has been granted a Certificate of Exemption by HEA to export summerfruit.

6.1.2 Sourcing and selling product for export

To qualify for export summerfruit must be,

- supplied by a registered grower
- packed in a registered packhouse
- exported by a registered, licensed exporter or approved exemption holder.

6.1.3 Registration

Any exporter, packhouse or grower intending to export summerfruit in any one season shall register with Summerfruit NZ for that season. Registration involves completing an export registration application and paying the registration fee to Summerfruit NZ.

Summerfruit NZ shall not be bound to register any grower, packhouse or exporter which owes money to Summerfruit NZ, HEA or any other entity providing services related to compliance with this EMS. This clause applies whether the liability arises under this EMS or otherwise.

Registration fees

The registration fee is set and published annually by Summerfruit NZ. A list of the fees for registration and any Summerfruit NZ export programme are listed in Appendix A.

Where participants register but do not export in a given season there will be no refund of the registration fee.

Registration fees for exemption holders vary depending on the volume that is approved for export each year. Refer to Appendix A.

Deadlines

The deadlines for registration are

ITEM	Growers	Exporters	Packhouses
Annual Registration	31 October	31 October	31 October
Japan	25 September	31 October	31 October
Western Australia	25 September	31 October	31 October
Thailand	31 October	31 October	31 October
Australian OPI	N/A	31 October	N/A
Korea	N/A	31 October	N/A

Late registrations

From time to time Summerfruit NZ receives late applications for registration. Summerfruit NZ encourages exporting and where practicable will endeavour to facilitate such late registrations. However,

- no late registrations will be accepted for Japan or Western Australia Official Assurance Programmes
- any late applications for annual registration will be considered on a case by case basis and accepted at the discretion of Summerfruit NZ.

If accepting late registrations, Summerfruit NZ reserves the right to,

1. apply a penalty fee of up to 50% of the registration fee
2. apply conditions to the registration
3. recover any costs that may be incurred through accepting the late registration.

Conditions

In certain circumstances Summerfruit NZ may apply conditions to a registration. Any conditions will appear on the export registration form issued by Summerfruit NZ. Where conditions are applied Summerfruit NZ will notify the other relevant parties (e.g. packhouse or exporter). Summerfruit NZ reserves the right to apply conditions mid season.

6.1.4 Export Programmes

The following export programmes are in place

- Cherries to Japan
- Korean Inspection (cherries only)
- Offshore Preshipment Inspection (OPI) for Australia
- Apricots, Peaches, Nectarines and Plums to Western Australia (excludes cherries)
- Conditions for export of apricots and cherries to Thailand (peaches, nectarines and plums excluded).

- To participate in these programmes participants must,
- register annually with Summerfruit NZ by the dates listed above, and pay the required fee or deposit.
 - hold a copy of, and meet the requirements of the relevant Official Assurance Programme (OAP). Go to www.mpi.govt.nz/exporting/food/fruit-and-vegetables/steps-to-exporting-fresh-fruit/summerfruit-stonefruit-extra-requirements/. A Password is required to gain access to this information.
 - meet the terms and conditions of any of these programmes including the phytosanitary conditions of the importing country.
 - verify whether each grower is compliant by checking the MPI website www.mpi.govt.nz/exporting/food/fruit-and-vegetables/registers-and-lists/, before any product is exported in the following programmes: Cherries to Japan, Apricots, peaches, nectarines and plums to Western Australia, Apricots and cherries to Thailand.

Due to the complexity of the programmes exemption holders cannot participate in all Compliance programmes (refer to 7.3 for details).

6.1.5 Industry Management Protocol for the control of Light Brown Apple Moth to USA

Summerfruit NZ operates an Industry Management Protocol for the management of light brown apple moth (LBAM) in relation to exports to the USA. The protocol applies to apricots, cherries, nectarines and plums – it is not available for peaches.

All growers, packhouses and exporters must indicate their intention to export to the USA as part of the annual registration process.

The programme is designed to identify and minimise risk. Participants agree to adhere to the criteria set out in the protocol.

6.1.6 Conditions for the export of apricots and cherries to Thailand

Any grower, packhouse or exporter planning to export apricots or cherries to Thailand must register annually with Summerfruit NZ by 31 October. By registering, growers, packhouses and exporters agree to meet the terms and conditions of the programme. The Thailand requirements can be found on the Summerfruit NZ website ([www.summerfruitnz.co.nz/Export/Compliance info/Thailand](http://www.summerfruitnz.co.nz/Export/Compliance%20info/Thailand)).

6.1.7 Summerfruit NZ Inc Commodity Levy

The Summerfruit Commodity Levy Order (2014) puts in place the compulsory collection of a levy on all summerfruit sold in NZ. All levy collected under this Order is to be submitted to Summerfruit NZ. (Note: Enforcing stakeholder compliance with the levy is provided for in the Commodity Levy Act and is therefore outside the scope of the HEA Act.)

The levy is deducted by collection agents/marketers from grower payments on all summerfruit sold in NZ – fresh, from roadside stalls, at markets, processed or exported.

The levy is to be deducted from all five summerfruit varieties at the first point of sale. It is to be calculated on the gross sale price of the fruit before any deductions (for example commission) is subtracted. Levy cannot be deducted at any other point.

The rates are as follows:

- o peaches, nectarines, apricots & plums 1.5%
- o cherries 0.75%

Levy is payable to Summerfruit NZ on the 20th of the month following collection. Where levy is outstanding the Executive of Summerfruit NZ may consider the addition of a penalty of 5% on the entire amount. In addition, a compounding penalty of 2% per month can be charged on the unpaid levy (not including any penalties) for each month that the levy remains outstanding. Exporters have agreed not to deduct the collection fee.

6.1.8 Responsibility for Staff and Agents

All registered growers, packhouses and exporters are responsible to ensure that their staff are adequately trained in the requirements of this export marketing strategy. Likewise, where agents are contracted to provide services, the participants must make sure that the agent is aware of, and complies with, any relevant provisions of this document.

6.1.9 Export Management Fee for Services

The Summerfruit NZ does not currently collect an export management fee for services under this EMS.

6.1.10 Exemptions from the EMS

Cherries	<p>The minimum allowable size for export is 24mm.</p> <p>Summerfruit NZ will not support any application for a dispensation to export cherries less than 24mm.</p>
Apricots	<p>The minimum allowable size is 47mm.</p> <p>In certain circumstances Summerfruit NZ may agree to applications to export smaller sizes.</p> <ul style="list-style-type: none"> - Exports of 44-46mm apricots to the United Kingdom will not require a dispensation - Applications for dispensations to export 44-46mm apricots to any market outside the United Kingdom will require proof that a retail programme is in place. <p>Provided sufficient information is provided with the application, Summerfruit NZ will endeavor to process any application within three working days. Note that,</p> <ul style="list-style-type: none"> - The more information provided the quicker an application can be processed. <p>Summerfruit NZ will not support applications for dispensation to export apricots less than 44mm to any market.</p>

Important

Any request for an exemption to the EMS grade standards **must be** submitted by a licensed exporter to HEA using the HEA EMS exemption application form. Refer to HEA website www.hea.co.nz for relevant forms. To improve turn-around please cc the application to Summerfruit NZ.

Exemption applications from Provisional License holders (ref 6.2.16) will not be supported by Summerfruit NZ.

Any exemption granted must be supported by a detailed post season report. Failure to supply a detailed report will affect Summerfruit NZ's consideration of any future applications for an EMS exemption.

6.1.11 Compliance with the Quality Management Programme and Export Manuals

All registered participants must comply with Summerfruit NZ's Quality Management Programme, adhering to the Summerfruit NZ Export Manual, for export summerfruit.

The manual is available on the Summerfruit NZ website in three separate sections

- Exporters Manual
- Growers Manual
- Packhouse manual

Summerfruit shall only be exported that meets the export grade, quarantine, packaging and food safety standards.

Exporters are responsible for ensuring that the product they export arrives in the market place as a premium product, and as such, are accountable to ensure that their grower supplier and packhouse comply with the Summerfruit Export Marketing Strategy.

6.1.12 Residue Assurance

To facilitate the access of New Zealand summerfruit into export markets an industry-wide residue assurance programme has been established. The aim is to ensure that any summerfruit covered by the programme will comply with export market entry regulations for pesticide residues.

- Summerfruit NZ's preferred spray diary program is CropSure (AsureQuality). Other spray record software may be approved provided it can interface with CropSure and produce approved harvest clearance certificates.
- Export growers, packhouses and exporters must comply with the requirements of the Summerfruit NZ Residue Assurance Programme
- All exported summerfruit must be covered by a current harvest clearance certificate.

6.1.13 Residue testing

Random residue testing will be conducted in support of the industry-wide residue assurance programme. Summerfruit NZ will not cover the cost of any additional residue testing to verify residue status, that is requested by growers, packhouses or exporters.

Summerfruit exporters and growers agree to authorising the testing lab to make the results of this programme available to nominated parties (i.e. exporters and Summerfruit NZ).

6.2 Exporter Responsibilities

Licensed summerfruit exporters are required, as a condition of licence, to comply with this Export Marketing Strategy (EMS) which has been formulated by the Recognised Product Group for summerfruit under the New Zealand Horticulture Export Authority Act 1987.

Any failure to comply with the requirements of the EMS could result in a recommendation by Summerfruit NZ of action to be taken by HEA to impose license conditions or revoke an export license under sections 38 and 39 of the NZ HEA Act. Any reference to licensed exporters in this document includes exemption holders.

As well as the specific responsibilities outlined below, exporters shall also ensure they source fresh summerfruit for export from growers and packhouses who have met their responsibilities detailed in sub-sections 6.1.2 and 6.1.3.

Any non-licensed exporter operating under a Certificate of Exemption (to export summerfruit) issued by HEA, is subject to the same responsibilities as a licensed exporter, including compliance with this Export Marketing Strategy. Refer to section 7 for conditions specific to Exemption Holders.

6.2.1 Notification of Export Volume

All registered exporters must furnish details of volumes exported, by destination on a weekly basis. The reporting period will be week-ending Sundays and the detail must be supplied to Summerfruit NZ or its appointed representative by the following Wednesday. Failure to supply data is considered to be a breach of the EMS and will be notified to HEA

Volumes supplied by exporters will be cross referenced against Customs NZ data.

6.2.2 Membership and Participation of the Summerfruit Exporters Committee

All licensed summerfruit exporters are required to be a financial member of the Summerfruit Exporters Committee (Note this is a separate body from Summerfruit NZ).

All licensed exporters registered for export in a given season are strongly recommended to attend the meetings called by the Summerfruit Exporters Committee.

6.2.3 Breaches of the EMS

Any breaches of the EMS by an exporter will be investigated and handled as per standard HEA procedures (refer to the HEA Policy and Procedures Manual, 2012).

6.2.4 Terms of Trade

As described in section 5

6.2.5 Supply Industry Information

If requested, all registered exporters are to present detailed marketing plans to the Manager by the 31st of October in any year

From time to time exporters may be requested to supply additional information to Summerfruit NZ. This may include specific information on shipments, markets, or volumes. Such requests may be in response to discussions with Biosecurity NZ. Rapid cooperation of all participants may be essential to ensure the continuation of access to export markets.

Exporters are, if requested, to provide an end of season report to the Manager by the 30th of April each year.

6.2.6 Interceptions

Exporters must notify Summerfruit NZ of any known pest interceptions (phytosanitary) or agrichemical residue tolerance violations (MRLs exceeded) in an export market, as they occur. Copies of interception reports must be provided to Summerfruit NZ.

6.2.7 Certification dates

Exporters must notify growers if any shipment awaiting export has exceeded the certification period specified in the Export Manual.

6.2.8 Post Inspection Security

For post inspection security purposes exporters sending product through a MPI accredited system must use MPI accredited freight forwarders.

6.2.9 Deceptive Labelling

Summerfruit packaging may only be used for the purposes of exporting the appropriate summerfruit type. Exporters who export other than the specified fruit types in summerfruit packaging will be liable for action by the HEA.

No product is to be exported where the particulars branded or printed on the packaging are likely to mislead the purchaser as to the nature of its contents.

6.2.10 Offshore Pre-shipment Inspection (formerly Preclearance) Australia

To facilitate exports to Australia an Offshore Pre-shipment Inspection (OPI) programme is conducted. This involves bringing a DAFF officer to NZ from Australia to inspect fruit prior to shipping.

Exporters are required to pay an upfront fee of \$500 (+GST) at registration. A further fee of \$1,500 will be incurred at the time of the first inspection. All further costs incurred in the programme are apportioned amongst participants according to use. This amount is calculated post-season and invoices sent to participating exporters

The Summerfruit NZ OPI programme is based in Central Otago. Exporters who plan to export summerfruit from other ports will need to make arrangements with AsureQuality (Tauranga office) to use another OPI officer.

6.2.11 Inspectors visits

Where either a Japanese or Korean inspector visits NZ during the season to audit the respective programmes, the costs are met by the participating exporters.

Each exporters share of the costs for either programme will be calculated as follows

- a. the cost of the inspectors airfare will be split equally between exporters who have registered for that programme
- b. all remaining costs will be apportioned to exporters based on volume exported to these markets. (e.g. an exporter who ships 35% of the total volume exported to Japan will be charged 35% of the remaining costs).

Exporters who register but do not export in that season will incur no further costs over and above their share of the inspectors airfare.

To facilitate the calculation of exporters share of inspectors costs, exporters registering for these programmes authorise Summerfruit NZ to request this export data from the HEA. This information is supplied to HEA by NZ Customs.

The Japan programme is audited annually and the Korean programme is audited every three to four years.

Note: NZ only has access for cherries to both Japan and Korea.

6.2.12 Industry Management Protocol for the control of Light Brown Apple Moth to USA

Exporters must verify with the packhouse, the risk status of any fruit packed for export to the USA. Product identified as High Risk **cannot** be exported to the USA.

6.2.13 Conditions for the export of apricots and cherries to Thailand

Exporters must confirm that growers are registered on the MPI website before cherries or apricots can be exported to Thailand.

Exporters must verify with the packhouse, that all apricots and cherries packed for Thailand have complied with the importing requirements.

6.2.14 Export license applications

HEA require all exporter licence applicants to make a presentation to Summerfruit NZ as part of the licensing process.

New License applications

New licence applications to HEA should provide documented evidence to Summerfruit NZ and HEA of growers who are willing to supply product to that applicant. Such written information supporting an application, if applicable should be included in any new applicants presentation to Summerfruit NZ.

All new licence applicants must provide a list of suppliers and demonstrate,

- adequate experience in international marketing
- an understanding of MRLs and the agrichemical requirements of importing countries.
- product knowledge
- knowledge of overseas markets
- responsible employees
- planned programmes and promotions
- demonstrated understanding of the EMS
- evidence of prior and current experience in fruit, in particular summerfruit, exporting.

Applications to renew a license

Existing license holders wanting to renew their license (every five years) should supply a written report to Summerfruit NZ which should demonstrate,

- knowledge of the industry
- understanding of the quality and handling issues that affect NZ summerfruit
- a committed supply of summerfruit from registered growers
- confirmed markets for the product
- any long term plans for summerfruit export
- planned promotions
- information on any new markets being developed
- full understanding of the EMS

Deadline

All new exporter licence applications must be forwarded to the HEA by 30 September in any year. Summerfruit NZ does not undertake to hear any presentations or make any recommendations to HEA on applications received after this date until the completion of the export season.

HEA is obliged to seek a recommendation from Summerfruit NZ on the suitability of all licence applicants. For reasons of efficiency and consistent analysis of applicant suitability, Summerfruit NZ has a process for considering licence applications and its strong preference is to have all applications considered at one time following the 30th September application deadline.

Experience of Exporter

A licence to export summerfruit is granted taking into account the experience of the exporter. Should that experience change substantially due to a change in the person

responsible for the export of summerfruit then the exporter should demonstrate via a report or presentation to Summerfruit NZ, knowledge and competency of handling summerfruit, coolchain and transportation systems, quality management, importer negotiations, marketing and knowledge and understanding of the Export Marketing Strategy and Summerfruit NZ Export Manual. This experience must be demonstrated prior to the exporting of any summerfruit.

Provisional licenses

Where a new exporter licence applicant is unable to demonstrate sufficient experience Summerfruit NZ will only support a Provisional license being granted in its recommendation (including supporting rationale) to the HEA.

Summerfruit NZ policy is to not support applications for an EMS exemption from Provisional license holders.

Change of Company Structure

Where a licensed exporter undergoes a significant change in the company shareholding (as defined by the NZ Horticulture Export Authority procedure manual) then a new licence must be applied for.

Use of License

Under S34 of the HEA Act it is illegal for Licensed Exporters to allow another company/entity/person to use their licence.

Under no circumstances is a summerfruit export license issued by the HEA to be used for the export of other product not covered by the license. An export license may only be used by the company named on that licence.

Additional information

Additional information on licenses can be found on the HEA website www.hea.co.nz

6.2.15 Grade Standards

Exporters must demonstrate how they will meet industry export grade standards for each fruit type (refer Quality Standards section of Summerfruit NZ Export Manual). Where an exporter does not have a recognised audited system, Summerfruit NZ reserves the right to conduct audits prior to product being exported. The exporter will meet the cost of these audits.

Where product has not met the industry grade standards and has been rejected by an exporter, all other exporters agree not to export the same product.

Individual exporters may have their own standards which must be no less than Class 1 in the industry published standards.

6.2.16 Dispensations

Where dispensations to grade standards have been approved, exporters must provide an end of season report detailing

- volumes shipped of each grade approved for each approved market
- nett price to growers per kg
- shipping (sea or air freight)
- marketing used (e.g. pre pack etc).

6.2.17 Residues

Exporters may not export product,

- without a harvest clearance certificate
- with chemical residues in excess of the importing country's standards.

Where an MRL has not been specified for a chemical by the importing country the exporter is responsible for determining MRL residue compliance requirements.

6.2.18 Falsification of documents

Any exporter who falsifies export documents, or instructs others (i.e. agents including packhouses or freight forwarders) to falsify documents will be liable for action by the HEA.

6.2.19 Sourcing fruit for Pacific Island markets:

In recognition of the 'special' characteristics involved in supplying product to the Pacific Island markets, fruit may be sourced from the wholesale market provided that the reputation of NZ Summerfruit is not compromised. Where sourcing fruit from the wholesale market for the Pacific Island markets, licenced exporters (or holders of licence exemptions) **must**;

- comply with all aspects of this EMS
- ensure that product,
 - o has been sourced from registered growers and packed in registered packhouses
 - o has a harvest clearance certificate issued by Cropsure confirming that the sourced product is suitable for the target market
 - o meets all food safety standards

6.2.20 Wholesale markets

With the exception of the Pacific Islands, summerfruit cannot be sourced from the wholesale market for export. Refer to 6.2.19 above.

6.3 Grower Responsibilities

Any failure to comply with the requirements of this EMS jeopardises a growers ongoing ability to be involved in the export of New Zealand summerfruit. Summerfruit NZ retains the right to revoke any growers registration in such instances.

6.3.1 Spray Diaries & Residue Assurance

- All growers who have registered for export must participate in the residue assurance programme. (refer to clause 6.1.12).
- Export Growers must register annually with AsureQuality to use Cropsure either by 1 December each year or one week prior to the first export shipment, whichever comes first.
- Growers growing summerfruit for export must comply with New Zealand and the designated export market pre-harvest intervals (PHIs), and provide a harvest clearance certificate for each consignment submitted for export packing
- Failure to comply will result in a comprehensive testing program (at the growers expense) for the following two seasons. Summerfruit NZ reserves the right to withdraw the registration of a grower who repeatedly fails to comply.
- Where necessary, growers are required to liaise with their nominated exporters to ensure the appropriate tests are conducted for the markets they wish to supply.

- Growers agree to authorising the testing laboratory to make the results of any residue testing available to nominated parties (i.e. exporters and Summerfruit NZ).

6.3.2 Residue testing programme

Where necessary growers are required to liaise with their nominated exporters to ensure the appropriate tests are conducted for the markets they wish to supply.

Growers agree to authorising the testing laboratory to make the results of this programme available to nominated parties (i.e. exporters and Summerfruit NZ).

6.3.3 Growsafe Certification

Summerfruit NZ requires all registered growers to ensure that all chemical applications are undertaken or supervised by a currently registered Growsafe applicator.

6.3.4 Harvest Dates

Growers must provide documentation of harvest date to the packhouse at the time of submission.

6.3.5 Traceability

All growers are required to use Property Identification Numbers (PINs), supplied by Summerfruit NZ.

6.3.6 Terms of Trade

Each grower shall negotiate written terms of trade with their nominated exporter(s) prior to the season as outlined in Section 4.

6.3.7 Membership of Summerfruit NZ

It is recommended that growers be a member of the Summerfruit NZ Inc for all-round, up-to-date industry information.

6.3.8 Trapping programmes

Growers participating in the Cherries to Japan or Western Australia compliance programmes are required to submit weekly trapping results in an approved format as detailed in the relevant Workplans.

6.3.9 Industry Management Protocol for the control of Light Brown Apple Moth to USA

Growers participating in the USA Protocol for the control of Light brown Apple Moth must follow the field programme set out in the protocol.

6.3.10 Japan & Western Australian Programmes

Any grower registering for either the Japan or Western Australia programmes for the first time must meet with a representative of Summerfruit NZ before their registration for those programmes will be accepted.

6.3.11 Korea

Any grower planning to export cherries or apricots to Korea must register annually with Summerfruit NZ.

6.3.12 Conditions for the export of apricots and cherries to Thailand

Any grower planning to export apricots or cherries to Thailand must undertake good

agricultural practice, including maintenance of orchard sanitation and the implementation of integrated pest management or other pest control measures to ensure the quarantine pests specified in the programme are managed.

- Growers who have registered for the programme must sign the Grower Declaration which appears on the last page of the Protocol. This declaration must be provided **to their packhouse**.
- Growers **must also sign** the MPI Terms & Conditions Thailand: Application for Registration and Agreement – Grower. Signed forms must be sent to Summerfruit NZ by 15 November.

6.4 Packhouse Responsibilities

Any failure to comply with the requirements of this EMS jeopardises a packhouses' ongoing ability to be involved in the export of New Zealand summerfruit. Summerfruit NZ retains the right to revoke any packhouses registration in such instances.

6.4.1 Registration

Product packed on premises or machinery not registered as a "packhouse" for a particular season may not be exported during that season.

6.4.2 Compliance with Quality Management Programme

Packhouses must have a current copy of the Summerfruit NZ Export Manual (Packhouses). The most current copy can be downloaded from the Summerfruit NZ website www.summerfruitnz.co.nz

Packhouses must ensure that all summerfruit received for packing, and leaving the packhouse for export is in a premium condition that has been maintained within an acceptable coolchain, and likely to arrive in the market place in such a condition.

Summerfruit Industry Grade Standards must be adhered to as a minimum. Exporters may request that fruit is packed to their standards, however these must be no less than Class 1 in the Industry standards.

Registered packhouses must provide reasonable co-operation and access necessary for the Summerfruit NZ Quality Management representatives to undertake industry audits if required.

6.4.3 Grade Standards Line up

Where a pre-season grade standards line up is organized by the Export Reference Group, all packhouses must ensure that a representative attends that meeting. Where no representative attends the meeting, the packhouse may undergo a quality audit during the season at their own expense.

6.4.4 Verification of agrichemical use.

Each registered packhouse may only pack summerfruit for fresh export on receipt of a harvest clearance certificate (refer clause 6.1.12).

Packhouses must,

- Check that a harvest clearance certificate has been received for every load of fruit received, and that the date of first harvest has been complied with
- Record the relevant harvest clearance certificate number(s) and issue date (s) on the Inspection Record.

- If the harvest clearance certificate is not available due to adverse events, follow the normal process of spray diary checking to confirm PHIs have been complied with and indicate this in the Inspection Record.

All harvest clearance certificates or grower declarations must be held by the packhouse and verified that the agrichemicals used comply with the intended importing country's requirements.

Packhouses must make fruit available for random residue testing where instructed

6.4.5 Packing Records and Supply of Information

Each registered packhouse shall keep accurate records of summerfruit supplied to exporters and will furnish this information to Summerfruit NZ if requested.

6.4.6 Harvest Dates

Packhouses must notify exporters if the harvest date of any fruit dispatched from their packhouses exceeds three days.

6.4.7 Register of Supplying Growers

Packhouses must use the Summerfruit NZ issued Property Identification Number (PIN) for all growers. These PINs must be maintained in the register attached to the operating system.

6.4.8 'NZ Government' Sealing tape

All cherries packed for export to Korea and Japan must be sealed with approved tape. A different tape is required for each market (red for Japan and green for Korea).

The tape must only be used for the designated purpose of sealing packages in specific export programmes. It is a requirement of both programmes that the tape is kept physically secure at all times, including when it is not in official use. Tape can be purchased from Summerfruit NZ.

Tape that exceeds two years old may not be used. All tape that is out of date must be returned to the IVA for destruction.

6.4.9 Australian Department of Agriculture Pest Identifications

Where packhouses are participating in the Australian OPI programme, any pest identifications requested by the quarantine inspector will be charged back to the relevant packhouse.

Packhouses may choose to have any pests identified either at,

- the remote diagnostic system at Plant and Food Research Centre, Clyde, or
- ASUREQuality PestLab, Auckland.

6.4.10 Industry Management Protocol for the control of Light Brown Apple Moth to USA

Packhouses must verify the risk status of any fruit submitted for packing for the USA according to the programme guidelines. Product identified as High Risk **cannot** be exported to the USA.

6.4.11 QC Phytosanitary training

Each packhouse must have at least one phytosanitary inspector who has completed an approved phytosanitary inspector training programme.

6.4.12 Japan & Western Australian Programmes

Any packhouse registering for either the Japan or Western Australia programmes for the first time must meet with a representative of Summerfruit NZ before their registration for those programmes will be accepted.

6.4.13 Conditions for the export of apricots and cherries to Thailand

Any packhouse packing apricots or cherries for Thailand must,

- must verify that all apricots and cherries packed for Thailand have complied with Thailand's importing requirements
- ensure packaging, labelling and certification requirements of the programme are met.

Packhouses must sign the MPI Terms & Conditions Thailand: Application for Registration and Agreement – Packhouse. Signed forms must be sent to Summerfruit NZ by 15 November.

7. Exemptions

Any summerfruit exporter operating under a Certificate of Exemption issued by HEA, is subject to the same responsibilities as a licensed exporter, including compliance with this Export Marketing Strategy, refer sections 6.1 and 6.2

7.1 Approval of exemptions

Summerfruit NZ will consider applications for exemptions from a full license under the following conditions

1. Providores or other marketers exporting small volumes (i.e. less than 300kgs) of summerfruit as part of larger mixed consignments
2. Exporters new to summerfruit who wish to test or develop a market.

Where exemptions have been issued to an exporter to the full extent of the allowable volume, for two consecutive years, the exporter may be required to apply for a full export license.

7.2 License Exemptions

Market	Region	Country	Volume
Primary Markets	Asia Including	<ul style="list-style-type: none">- Taiwan- China- Korea- Thailand- Hong Kong- Singapore- Japan- Vietnam- Malaysia- Philippines	Exemptions are allowed for no more than 0.5 tonnes of any one summerfruit product for a one year term.
	Australia	<ul style="list-style-type: none">- All states	
	Europe	<ul style="list-style-type: none">- Encompassing all EU states including UK and Switzerland	
	North America	<ul style="list-style-type: none">- USA- Canada	
	India		

Secondary Markets	Russia		
	Middle East	- All countries	
	Pacific Including	- Fiji, - Tahiti, - Tonga, - Samoa and American Samoa, - Niue Islands, - Wallis & Futuna	Exemptions are allowed for no more than 5.0 tonnes of any one summerfruit product for a one year term.

Summerfruit NZ may vary the approved volumes if a suitable business case is presented by an applicant.

When approving exemptions, HEA will consider the following:

- the circumstances of the shipment,
- the volume requested,
- whether the market is well covered currently, and the effect on the current licensed exporters of the product,
- whether the granting of the exemption would prejudice the Export Marketing Strategy for the product, and
- the opinion of the Product Group.

7.3 Application timing

To assist with pre-season planning and enable sufficient time for consideration by both HEA and Summerfruit NZ, it is recommended all exemption applications should be forwarded to the HEA by 30 October in any year.

7.4 Compliance programmes and Industry Protocols

Exemption holders participation in official assurance programmes and Industry protocols is limited as follows,

Official Assurance Programme	Able to participate	Conditions
Cherries to Japan	No	
Australian Offshore Preshipment Inspection (OPI)	No	
Apricots, peaches, nectarines and plums to Western Australia	No	
Cherries to Korea	Yes	<ul style="list-style-type: none"> - Must pay registration fee and annual programme fee by the established dates. - Must pay a share of audit costs. Refer to clause 6.2.11
Industry Management Protocol for the control of LBAM to USA	No	
Conditions for the export of apricots and cherries to Thailand	Yes	Must meet Thailand's importing requirements. Refer to clauses 6.1.16 and 6.2.13

7.5 Exemptions from the EMS

Refer to section 6.1.8 Dispensations

7.6 Re-exported imported fruit

Summerfruit NZ recognises that it has no authority over the re-export of imported summerfruit.

7.7 Small volumes

Where HEA receives applications for individual shipments of summerfruit of under 100kgs, Summerfruit NZ accepts that HEA may automatically approve, without consultation with Summerfruit NZ, those exemptions.

8. Resources

8.1 The Summerfruit NZ Export Manual

The Summerfruit NZ Export Manual is the basis for many of the requirements outlined in the EMS. In particular this refers to the following sections,

- Grower Manual
- Packhouse Manual
- Grade Standards (for each fruit type)
- Summerfruit Exporters Manual
- Transport and Storage Code of Practice

All industry participants must retain a copy of the Summerfruit NZ Export Manual. The document is updated annually with copies being distributed to all participants.

8.2 Workplans, Official Assurance Programmes (OAP) and protocols

Go to www.mpi.govt.nz/exporting/food/fruit-and-vegetables/steps-to-exporting-fresh-fruit/summerfruit-stonefruit-extra-requirements for workplans for

- the Offshore Pre-Shipment Inspection of Summerfruit to Australia (OPI)
- Summerfruit to Western Australia OAP
- Cherries to Japan OAP
- Cherries to Korea OAP

A password is required to gain access to the programmes.

Go to www.summerfruitnz.co.nz/Export for information on the following,

- Industry Management Protocol for the control of Light Brown Apple Moth to USA
- Industry Management Protocol for the export of cherries and apricots to Thailand.

8.3 Exports Reference Group

The role of the Export Reference Group is;

- Provide feedback to Summerfruit NZ on export issues which relates to growers. This includes the development of industry programmes, agrichemical issues and pre-season planning
- Maintain and update the export grade standards for summerfruit (primarily cherries and apricots, but also other summerfruit where relevant)
- Educate industry participants on the grade standards or any changes to the standards
- Review the spray programme and market entry requirements annually
- Consider any disputes that arise during the season regarding the interpretation of

- grade standards
- Make recommendations to Summerfruit NZ where changes are needed
- Provide additional advice to Summerfruit NZ during the season where applications are made for exemptions to the EMS

8.4 Summerfruit Exporters Committee

The Summerfruit Exporters Committee is made up of all licensed summerfruit exporters. In order to facilitate the smooth running of the day to day management of the export program, the Summerfruit Exporters Committee may, in conjunction with Summerfruit NZ, at some time impose constraints in relation to fruit quality, grade and market issues.

8.5 Official Assurance Programme (OAP) Coordinator

Coordination of the official assurance programmes for Summerfruit NZ is provided byASUREQuality.

Mark Hawker	Tel. (03) 358 1744
ASUREQuality NZ	Fax (03) 358 6222
PO Box 4718	e-mail hawkerm@asurequality.com
Christchurch	

8.6 Market Access Services

Market Access services to Summerfruit NZ is provided by Market Access Solutionz. Stephen Ogden is responsible for the monitoring of changes in the market access conditions for NZ summerfruit and developing compliance programmes.

Stephen Ogden	Tel. (04) 473 6040
Market Access Solutionz	Fax (04) 473 6041
PO Box 10629	e-mail stephen@solutionz.co.nz

8.7 Summerfruit NZ Website

This EMS, the Summerfruit NZ Export Manual, up to date export issues and all other information relevant to export is available on the Summerfruit NZ website www.summerfruitnz.co.nz.

Appendix A: Fees 2015-16

PROGRAMME	FEES	AMOUNT (Ex GST)
EXPORTERS		
Annual Registration	- Annual fee	\$1850
Australian Offshore Preshipmen Inspection	- Deposit - First shipment - Share of total cost	\$500 \$1,500 Apportioned by use
Western Australia	- Annual Fee	\$400
Korea	- Annual fee - Inspector	\$400 Share of total cost
Japan	- Annual fee - Inspector	\$1850 Share of total cost
EXEMPTIONS		
Annual registration	- <100kgs - 100-300kgs - 300-500kgs - 500-1000kgs - 1000kgs +	No fee \$130 \$285 \$445 \$565
PACKHOUSES		
Annual Registration	- Annual fee	\$160
Western Australia	- Annual fee	\$300
Japan	- Annual fee	\$300
Korea	- Annual fee	\$300
Japan Tape	- per roll	\$13.50
Korea Tape	- per roll	\$13.50
GROWERS		
Annual Registration	- Paid between 1-30 September - Paid between 1-31 October	\$160 \$200
Western Australia	- Annual fee	\$150
Japan	- Annual fee	\$150

There are no fees for any participant in the following programmes

- Conditions for the export of apricots and cherries to Thailand
- Industry Management Protocol for the control of LBAM to USA
- Growers pay no fee to register for Korea.

Notes:

Registration takes place in September and October each year.

Registration fees for growers increase in October

Fees are,

- exclusive of GST.
- reviewed and adjusted by the CPI each year
- non-refundable if exports do not occur. EXCEPTION: should Summerfruit NZ cancel a programme prior to fruit being shipped, any registration fees for that programme will be reimbursed.