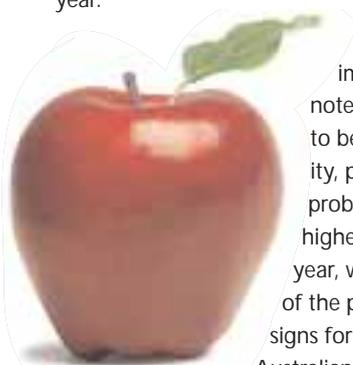


AUSTRALIA

Apples growers from South Australia seek Asian markets

South Australian apple growers are seeking Asian markets this season due to high-quality crop.

According to Apple and Pear Growers Association of South Australia, a visiting delegation of Asian importers in May 2013, generated plenty of interest in some varieties. Therefore, this visit led to initial export orders of quality crop this year.



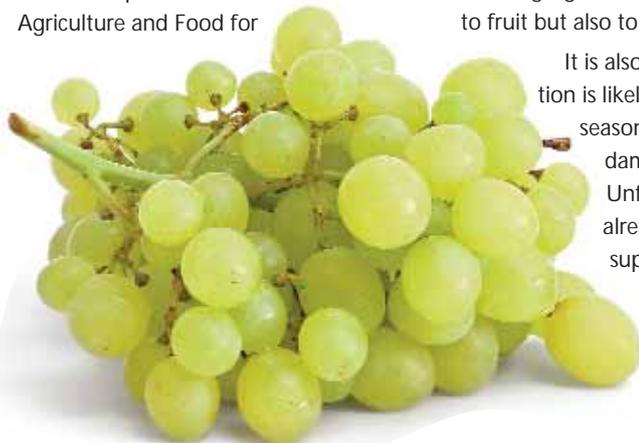
It is important to note that due to better quality, prices are probably a bit higher than last year, which is one of the positive signs for South Australian apple growers.

California grape imports surge as Western Australian wholesalers

Western Australian wholesalers are strengthening the domestic market of table grapes through imports from California.

Wholesalers have defended a decision to allow Californian (CA) table grape imports to enter Western Australia, due to concerns regarding bio-security breach increase amongst local growers.

The Department of Agriculture and Food for



It is also expected that production is likely to be affected next season, also because of the damage to trees. Unforeseen effects are already being felt down the supply chain with a number of pack houses packing for export closed or operating greatly on reduced levels of activity.

Western Australia (DAFWA) announces modified import conditions for CA grapes, providing the US industry market access

The ruling angered Western Australian growers, who feared the devastating fungal disease pathogen *phomopsis viticola* may be introduced because of the imports.

DAFWA originally supported the growers' claims; forcing CA growers to wait 15 months for market access after Biosecurity Australia gave their approval to the deal the import risk analysis carried out in March 2012.

Advice from the Federal Department of Agriculture and independent sources had been sought prior to downgrading the *phomopsis viticola* risk rating from low to very low, which allowed CA imports to commence.

ARGENTINA

Citrus growers show concern due to frost

Lemon output expected to fall 20 per cent after the worst frost in 24 years during August 2013 in north-eastern Argentina.

According to Roberto Sánchez Loria, president of the Tucumán citrus association, the intensity, duration and frequency of frost of this magnitude has not happened in the lemon area of Tucumán since 1989.

Despite the fact that a large percentage of the planted area is in the undulating foothills of the mountainous parts of the region, which usually eases any damaging effects, this time plantations are showing signs of serious damage not just to fruit but also to trees.



CHINA

Retailers place online orders for US cherries

Chinese consumers are now able to pre-order cherries from the US using specified section of online marketplace websites operated by dominant Chinese e-commerce company Alibaba Group.

The consumer initially pays a RMB10 (US\$1.60) deposit to reserve their box of cherries. The total price of a 2kg box of cherries ordered and delivered using the online service costs RMB179 (US\$29.21), which is 22% less than the per kilo price of this product in Walmart stores in China.

The service is currently available in 35 of China's largest cities including Beijing, Shanghai and Guangzhou. It is important to highlight that the produce is picked and shipped from Washington, Oregon, Idaho, Montana and Utah, with consumers reportedly receiving their orders as quickly as two days after they are placed.

According to overseas marketing director for the Northwest Cherries Association (NCA) Keith Hu, over 200,000kg of cherries are expected to be shipped for the month of August.



DENMARK

Banana growers receive funding to combat Panama disease

The Panama disease is threatening banana production throughout South-East Asia. Not only does the fungal disease wipe out banana plantations, it also contaminates soils for decades and cannot be suppressed. Another disease, Black Sigatoka, is also posing problems in Philippines, forcing banana producers to increase their use of chemical pesticides.

In this context, a new assistance programme coordinated by The Netherland's Wageningen University and Research Centre is being launched to better equip the banana farmers in the Philippines to fight the infectious Panama disease.

The partnership between Netherland's Wageningen University and Research Centre has been developed for the benefit of all banana producers, from small-holders to industrial-scale exporters.

The Euro 3.1 million project is based on research conducted in the Philippines by Wageningen, and will include the roll-out of technology and services to assist with restoring banana plantations to health.

The funding includes a Euro 1.9 million subsidy from the Dutch Ministry of Foreign Affairs, along with contributions from the Philippine Department of Science and Technology and BLGG AgroXpertus.



INDIA

Shiitake mushroom standardized for domestic cultivation

The Shiitake is an edible mushroom native to East Asia, which is cultivated and consumed in many Asian countries. It is a feature of many Asian cuisines. It is also considered a medicinal mushroom in some forms of traditional medicine. Shiitake are native to Japan, China and Korea and have been grown in all three countries

A laboratory of Indian Institute of Horticulture Research (IIHR) has been successful in developing the variety, which has normally been imported from Japan and China at considerable cost. After more than two years, Indian researchers from IIHR have succeeded in standardizing the mushroom for domestic cultivation.



Indian horticulture industry faces huge post-harvest losses

Due to poor post-harvest practices and facilities, the Indian

horticulture industry is facing losses estimated to about USD 32.7 billion per year.

According to Associated Chambers of Commerce and Industry of India (Assocham), the main reasons are inadequate cold storage facilities and a shortage of proper food processing units. These facilities are considered vital for post-harvest management of fresh produce, given that it is highly perishable. This leads to 30% of India's fresh produce rendered unfit for consumption.

West Bengal tops the list at around USD 2.135 billion, followed by Gujarat, Bihar, Uttar Pradesh and Maharashtra in their order of annual losses.

According to the secretary general of Assocham D.S. Rawat, lack of proper storage facility is responsible for wastage of substantial quantities of fruits and vegetables produced in the country.

These post harvest losses can be prevented to a great extent with proper cultural operations, harvesting, transportation, storage and pre- and post-harvest treatments.

To accommodate a further 7m tonnes of fruit and vegetables cold storage facilities needed to be expanded in order to achieve capacity for India's total fresh produce yields.



New fruit species discovered in the hills of Western Ghats of India

Researchers have identified a new species of tree with edible fruits with a spongy texture and sweet flavour from the Agasthyamalai hills of Western Ghats in India. The large yellow fruit, which has a sweet flavour, has subsequently become a new edition to India's fresh produce portfolio. The fruit is found in the region of Agasthyamala, from Pongalappara to Chemmungi.

This fruit tree is one of approximately 300 that have been reported from this state. The tree itself possesses terracotta, tender leaves as well as the clusters of large yellow fruits.

The flowering and fruiting season has been identified as from October to March. Researchers identified forest fires as the primary threat these fruits may face given that all of its habitats were interspersed with grassy patches in rocky areas.

KOREA

Bananas ranked highest in Korean imports

Korea's total fruit imports for 2012 came to 754,000 tonnes, worth 1.3tn won (US\$1.1b). Bananas have topped the list as the most-consumed fruit in South Korea over the last ten years. Korea Customs Service data shows that banana shipments reached 368,000 tonnes in 2012, comprising 48.7% of the nation's total fruit imports.



Philippines was ranked as the primary banana supplier, amounting to approximately 98.7% of Korea's total banana imports for 2012.

For 2012, the country also imported 174,000 tonnes of oranges, 73,000 tonnes of pineapples, 59,000 tonnes of grapes and 29,000 tonnes of kiwifruit. Alongside banana, these products comprised 93.1% of the country's total imports of 2012.

Chile accounted for approximately 79.9% of Korea's grape imports, while New Zealand provided around 69.6% cent of kiwifruit imports.

PHILIPPINES

Table stock potatoes imports from United States show an increase

The US has enjoyed long-standing access to the Philippines for exports of fresh chipping potatoes, which have grown steadily over the past five years to exceed 5,600 tonnes, valued at US\$2.8m. US exports of frozen potato products generated a substantial US\$38m in 2012.

The Philippines' government accepted imports of fresh table-stock potatoes from the US. Philippines is recognized as the fastest growing economy in Asia during the first quarter of 2013, with gross domestic product growth of 7.8%.

Philippines with a population of 100m residents, has become an attractive opportunity for the US potato industry.

According to the National Potato Council, the US Department of Agriculture's funds for technical assistance for special crops played an important role in the Philippine government's decision, as it had enabled the industry to host a delegation of Philippine officials during their tour of potato operations in the US.

USA

Export value of agriculture reached US\$140 billion

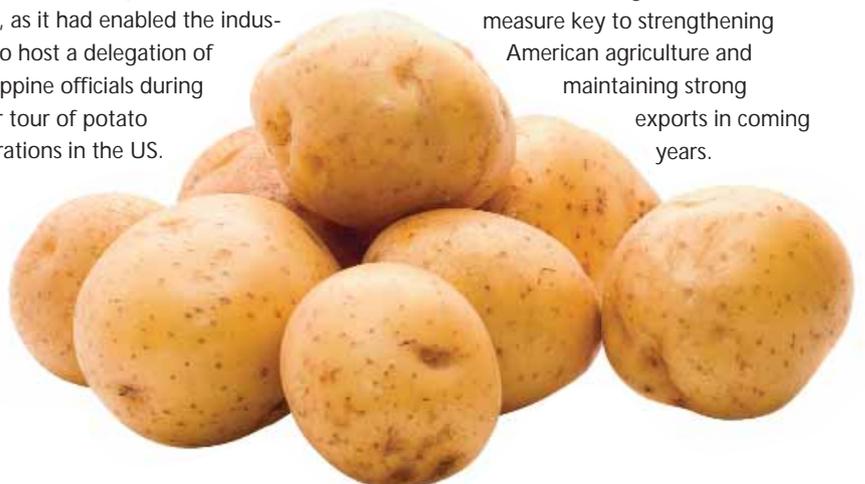
The US Department of Agriculture (USDA) has released its outlook for US agricultural trade for fiscal year 2013, with the country expected to set a new export record. According to the USDA, projections show that agricultural exports will reach US\$140bn for the year, potentially setting a new benchmark.

According to US agriculture secretary Tom Vilsack, "Driven by the productivity of US farmers and ranchers, we have achieved five years of positive momentum for agricultural exports and today's forecast is another promising development."

US agriculture secretary Tom Vilsack elaborated, "Agricultural exports have a real impact on Main Street and beyond, supporting more than 1m good jobs here at home. We're counting on Congress to help keep up this momentum."

He continued. "With just a few weeks left before expiration of many Farm Bill programmes – including trade promotion programmes that return US\$35 in economic benefits for every dollar invested – producers and rural communities need passage of a comprehensive Food, Farm and Jobs Bill as soon as possible. This would enable USDA to continue trade promotion, and carry out a wide variety of additional efforts to support a productive US agriculture sector."

Vilsack pointed out that the country's farmers and ranchers needed a reliable and stable agricultural workforce to keep up production, making passage of the commonsense immigration reform measure key to strengthening American agriculture and maintaining strong exports in coming years.



USA

Stone fruits from USA gain access to Australian market

After a receiving a long-awaited clearance, Australian importers receive long-awaited confirmation regarding imports of US stonefruit. The stonefruit imports will be currently limited to peaches and nectarines, but is expected to generate an immediate response from the industry.

The importers need to sort out which types and varieties can handle the fumigation protocol and the costs of the fumigation and airfreight, particularly with the weaker dollar.

The significant hurdle to start imports is concerns regarding inspection of the fruit on arrival, with industry officials currently lobbying for product to be inspected and cleared before shipment.

However, if officials opt for pre-clearance, it will slow things down as they will have to appoint an inspector in the US to pre-approve the fruit.



United States report bumper corn harvest

Last year, around 80% of farmland in the United States, the world's biggest corn producer was scorched by extreme heat and drought, which damaged crops, which increased global prices hurting the poor countries that depend on imports.

In the 2012/2013 season, the global corn harvest plunged to 855 million tonnes from 883m tonnes a year earlier. This upcoming season, however, the US Department of Agriculture (USDA) is forecasting a harvest of 960m tonnes, of which the US is predicted to supply more than a third.

UNITED KINGDOM

Tesco sells US Fresh & Easy business to investment fund Yucaipa

Tesco has confirmed it has agreed to sell a "substantive part" of its US Fresh & Easy business to investment fund Yucaipa.

The UK retailer Tesco has announced that a US based billionaire Ron Burkle, will acquire over 150 Fresh & Easy stores and the unit's distribution and production facilities in California.

The outlets not included in the deal will be closed. As part of the deal, Tesco will loan the new business around GBP 80m, secured against the distribution and production sites in Riverside.

The exit from the US comes as Tesco is planning to combine its business in China with local retailer China Resources Enterprise (CRE). The two sides have signed an MoU and have already outlined plans for CRE to own 80% of the venture, with Tesco taking 20%.

The total cash outflow relating to the closure of these stores, other expenses and the loan is expected to be no more than GBP150m, Tesco revealed in a statement.

UKRAINE

Poultry exports show an increase this year

Ukrainian meat group MHP reported that its poultry production facilities, while working at full capacity during the first half of the year showed a significant increase in poultry sales and exports. As a result of increased production at its Vinnytsia poultry farm, poultry production volumes in the six months to the end of June increased by 18% to 190,180 tonnes. This resulted in sales volumes of chicken meat to external consumers



increasing by 13% in the period. Poultry export sales also increased, almost three-fold in the first half, to reach 54,750 tonnes. Sausage and cooked meat sales volumes, however, decreased in the period by 2% to 16,110 tonnes.

Increase in Ukrainian grain exports to Iran

Ukraine, one of the world's leading grain exporters, aims to boost shipments to Iran by 30% this year. The government and analysts see the total grain harvest, which will also include maize, at 55-58 million tonnes including 17.2 million tonnes of wheat and 5.6 million tonnes of barley so far this year. Iran, in turn, is forecasted to need at least 5 million tonnes of imports in the season starting in summer and is looking to boost its stocks. Exports (of Ukrainian grain) to Iran were worth \$800 million last year.

VIETNAM

Market opens up for seed potatoes from Great Britain

Seed potatoes from Great Britain will be making their way to Vietnam due to a new protocol signed by the authorities in both countries. Until recently, potatoes were ranked below production of other Vietnamese staples such as rice, maize and sweet potato with an average yield of potato crops in Vietnam of around 12 tonnes per hectare. A lack of high-quality seed is thought to have been one significant barrier to production efficiency and profitability in Vietnamese potato production.

Middle-class consumers demanding potatoes in their diet are rising in Far-Eastern markets. The British seed industry is now able to help Vietnamese growers increase the yields and quality of their potato crop by providing healthy and high-quality seeds. A Vietnamese delegation will visit Potato Council and SASA in September to observe British seed production and will also meet Potato Council and SASA plant-health teams, visit micro-propagation laboratories and mini-tuber production facilities, and view this season's seed crops. ♦