

Trip to mend Russian trade

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ALREADY tense trade relations with Russia have deteriorated further after a top official in Moscow threatened to shut out imports of chilled meat and fish from New Zealand.

The head of Russia's Federal Service for Veterinary and Phytosanitary Surveillance, Sergey Dankvert, earlier this month held a press conference during which he said both chilled meat and fish from NZ had failed to meet Russian import standards.

"Summing it up, we are going to consider the need to impose restrictions on a number of products or for certain types of products," Dankvert was reported as saying in an October 5 report by the official Russian news agency TASS.

In a statement the Ministry for Primary Industries said NZ government officials were notified in late September of three shipments of chilled meat and fish that contained levels of listeria and mercury respectively that exceeded levels permitted by Russian import regulations but were in line with NZ's own microbiological and contaminant standards.

The statement said the NZ embassy in Moscow was seeking "further clarification" from Russian officials but in the meantime no official notification of an impending suspension of imports had been received.

The Meat Industry Association distributed a copy of Dankvert's comments to its members soon after they were made. Anzco chairman Sir Graeme Harrison, also a director of fisheries giant Sealord, said he knew of the issue only as a result of the MIA circular and was not aware of any disruptions to either company's trade with Russia, which consisted of only small volumes of chilled product and was typically through European agents.

Other meat exporters spoken to were keeping their heads down.

"I think we are better kept out of this one... if something happened I would rather it wasn't coming our way if you know what I mean," one said.

MIA figures show NZ meat exports to Russia have fluctuated between \$49 million and \$57m since 2010. Most recent figures show the trade holding up at \$27.8m for the first six months of 2016.

The potential for upset in the meat trade with Russia was another blow for government officials already on the back foot over Moscow's continued refusal to restore export licences to dairy plants.

Three years ago 61 out of 81 plants previously licensed for export to Russia were blacklisted following the Fonterra botulism scare.

While the ban was partially lifted in August 2015 it remained in place for butter, which historically has been the most significant part of the dairy trade with Russia for NZ exporters.

The matter was raised by Foreign Minister Murray McCully with Russian counterpart Sergey Lavrov in Moscow in August.

Assurances were given then that a date for Russian officials to conduct audits necessary for the remaining export licences to be restored would be settled by the end of this month.

An MPI spokesman said no date had been received yet.

Several scheduled visits by Russian officials to re-assess NZ dairy plants had been cancelled in the past three years.

It was all a far cry from August 2014 when former Trade Minister Tim Groser was said to have been within 24 hours of signing a free-trade agreement in the Russian capital.

In response to the unfolding attack on Crimea by Kremlin-backed forces and in solidarity with Western allies Prime Minister John Key recalled Groser to Wellington and the deal was never signed.

A diplomatic source said that incident and NZ's siding with the United States and Europe against Russia over its backing of the regime of Syrian dictator Assad had ended cordial diplomatic relations between Wellington and Moscow for now.

"Our problem is that, in Russian eyes, we know nothing about this problem, we are not party to or

knowledgeable about the conflict and we simply babble, so the assumption is that we are talking at the behest of the Americans," the source said.

The source said it was possible nothing would come of the latest threat and that the Russians were using it as diplomatic leverage.

"The phytosanitary sword of Damocles hangs over every foreign import into Russia ... it is simply a useful device to use to bring pressure.

"The Russians know only too well that NZ

standards are among the highest in the world."

It was understood Ministry of Foreign Affairs and Trade deputy secretary Jeff Langley would travel to Moscow in December to try to reset the relationship with Russia.



NO EFFECT: Anzco chairman and Sealord director Sir Graeme Harrison is not aware of any disruption to either firm's trade with Russia.



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