

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

18 December 2018

Agenda Item 10.1 China, Hong Kong and Jakarta Delegation Report 2018

Attachment 1 Letter of support 2018 Asia Fruit Logistica - Jeftomson . 345

Attachment 2 Letter of support 2018 Asia Fruit Logistica - Valley Pack 346

Attachment 3 Letter of Support - Asia Fruit Logistica FGV 347

Attachment 4 China, Hong Kong, Jakarta Report and Actions 2018..... 348



**GEOFFREY THOMPSON & GROWERS
CO-OPERATIVE COMPANY PTY. LTD.**

A.C.N. 37 004 276 715

**Rohan Sali
Economic Development Project Officer
Greater Shepparton City Council**

September 20th, 2018

Dear Rohan,

I just wanted to say thank you to you and GSCC for the support provided to the local fruit industry by having a stand at the recent Asia Fruit Logistica in Hong Kong. It was fantastic to be able to use the stand to meet with both prospective and existing customers from throughout Asia.

The stand showcased the region to Asia through the video and the fruit on display.

We hope GSCC will continue this valuable activity in 2019 and beyond.

Yours sincerely,

Tim Nethersole
Export Manager

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5th October, 2018

Mr Rohan Sali,
Economic Development Project Officer
Greater Shepparton City Council
SHEPPARTON VIC 3630

Dear Rohan,

Re: Asia Fruit Logistica (AFL) 2018

It was indeed pleasing to see Greater Shepparton City Council taking a significant position at Asia Fruit Logistica (AFL) in 2018.

There were many positive comments from people outside of our local area indicating that Shepparton seemed to be forward thinking and very supportive of local enterprises.

I personally received a number of comments from people outside of Greater Shepparton indicating that their own City Councils would not have the willingness to participate in an event like AFL.

Having a stand at AFL not only helps local growers and ancillary businesses but showcases Shepparton and surrounding areas to differing groups of people.

I commend the City of Greater Shepparton on their foresight and would hope that they continue their involvement at AFL in the future.

Yours faithfully,

Mark Hall
Director
Valley Pack Pty Ltd



16 October, 2018

Greater Shepparton City Council,
90 Welsford Street,
SHEPPARTON VIC 3630

Dear Sir/Madam,

Asia Fruit Logistica 2018

Further to our letter of support in GSCC attending Asia Fruit Logistica in Hong Kong in September of this year, Fruit Growers Victoria would like to once again express our support for GSCC to have a continued presence at Asia Fruit Logistica.

In discussions with local growers, FGV has received positive feedback from them about the attendance of Council at the event showcasing Shepparton and the produce from this area.

FGV fully support GSCC having a stand at Asia Fruit Logistica and continuing to support the Horticulture Industry into the future.

Kind Regards,

Mitchell McNab

Mitchell McNab
Fruit Growers Victoria Ltd.



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GREATER SHEPPARTON 2018 CHINA,
HONG KONG AND JAKARTA DELEGATION

REPORT

29 August 2018 to 8 September 2018



Greater Shepparton City Council Visit to China Report

1

The delegation consisted of:

- **Mayor Kim O’Keeffe** – Greater Shepparton
- **Geraldine Christou** – Greater Shepparton City Council Director of Sustainable Development
- **Rohan Sali** – Economic Development Project Officer
- **Phillip Huang** – Jiangsu Province Government
- **Peter Hall** – Local grower and exporter Integrity Fruit

INTRODUCTION

This delegation followed on from the China delegation in 2017.

Greater Shepparton City Council recognises the importance of developing key relationships with overseas investors and supporting our key industries.

The delegation included planned visits to the following:





JINKO SOLAR

The delegation visited the Jinko headquarters located in Haining. Jinko Solar has visited Greater Shepparton previously and is working closely with Council to facilitate investment of a large scale solar farm within the municipality.

Jinko Solar is one of the world's leading renewable companies:

- World's Largest Solar Panel Manufacturer
- Employs 20,000 people around the world
- Global renewable energy company with operating assets worth nearly \$2 billion RMB
- Primary business is in solar power generation, which is made up of; development, construction and operations.





BUSINESS VICTORIA SHANGHAI

Greater Shepparton City Council updated Business Victoria on progress in the past 12 months in relation to several projects which includes, the implementation of the International Engagement Strategy, the introduction of stone fruit protocols and the impact, and the need to advocate for the apple and pear protocols. Council updated the Commissioner on the key investment areas and the development of the Regional City Deal proposal and the investment that has occurred within the region most recently. Business Victoria outlined the opportunities that

were presenting themselves in China, especially in the biomedicine field. Council outlined the significant solar investment interest that had been generated in the past 12 months and the progress with each of these planning permit applications. Council and Business Victoria discussed the Jinko investment and the progression of this imminent investment in Greater Shepparton. Council will continue to keep Business Victoria updated on the great things happening in Greater Shepparton and will provide information on investment opportunities.



AUSTRADE

Greater Shepparton City Council presented the Great Things Happen Here extended promotional video, provided a presentation outlining the development that has occurred within our municipality since last year's visit, the impact of the implementation of the stone fruit protocols, outlined the investment opportunities within Greater Shepparton and advocated for apple and pear protocols.

Trade Commissioner Brent Moore explained that AusTrade has employed a dedicated marketing officer who is responsible for (amongst other things) maintaining the WeChat Account for AusTrade with 40,000 subscribers. Brent outlined that this is a great opportunity for Council to provide content such as seasonal conditions, fruit varieties available and general marketing of our Greater Shepparton provenance and liveability story.

Peter Hall outlined that whilst the introduction of the stone fruit protocols were very welcome, there has been issues in the implementation which has caused a detrimental impact in the short term - China suppliers were unprepared and had not registered to receive stone fruit from their end, and whilst the stone fruit protocols were implemented the Hong Kong avenue was restricted, therefore a drop in export volume was experienced.

Brent explained that the implementation of protocols is an arduous process as it is a give and take negotiation process and China always seeks parity. The Department of Agriculture provides a dossier of information in relation to biosecurity risks and knowledge in this area is growing significantly. It is anticipated that future protocol implementation processes will be faster and that the request for reciprocation will be less likely.



Council asked Brent how we can influence the implementation of apple and pear protocols and he explained that private industry interaction has greater influence than general advocacy.

There was some discussion about the counterfeiting of product such as retailers within China marketing fruit as Australian (and more specifically from the Goulburn Valley). Inferior quality product being marketed as Goulburn Valley (GV) product has a detrimental impact on the provenance branding, but it's very difficult to address. A potential opportunity is to identify when produce is seasonal within provenance marketing so that the consumer can then determine that the fruit is not from the GV.

Further discussion was held in relation to the number of buyers looking to import product into China that tour GV facilities such as 'how can we filter out the legitimate from the non-legitimate?' It is difficult, however any enquiries coming through Victorian Government or AusTrade will have been vetted for legitimacy – and Government has a big role to play in this area.



CHANGZHOU INSTITUTE OF TECHNOLOGY

Council met with Changzhou Institute of Technology (CIT) to discuss opportunities that may exist for campuses in Greater Shepparton. CIT has 15,000 students and 300 of those are from 45 different countries – mainly Korea, Russia, East Asia and Japan. The population of Changzhou is 4.7 million. There is an opportunity and interest in students undertaking an internship in Shepparton, however the

visa requirements and payment requirements need to be explored further. CIT has over 400 enterprises that have entered into a cooperation agreement with them for internships and scientific research opportunities. Council is working closely with Claire Shen and Richard Speed from Latrobe University to further the discussion with CIT in terms of a mutually beneficial arrangement between the two entities.



FRIENDSHIP CITY – JINTAN DISTRICT

Further to the signing of a Friendship Agreement between Greater Shepparton and Jintan in 2016, Council visited the Jintan district to progress opportunities in the areas of education, tourism, business and investment. Discussions were held in relation to increasing the visitation from China to Shepparton.

A verbal commitment was made between the two Mayors to continue to strengthen the relationship between the two cities to open up new markets and investment opportunities. 2019 is the 40th anniversary of the relationship between Jiangsu and Victoria.



JIANGSU JINTAN SECONDARY SPECIALISED SCHOOL

Council met with Jiangsu Jintan Secondary Specialised School to discuss opportunities that may exist between campuses in Greater Shepparton. The school has 5,000 students. The population of Jintan is 400,000. Council is working closely with Secondary schools and GOTAFE to work towards connecting campuses.



INVEST HONG KONG

Council met with Sindy Wong and Lily Wang from Invest Hong Kong who outlined the services that they provide. Invest Hong Kong assist with attracting foreign direct investment in Hong Kong and assisting businesses to start up with incentives. Invest Hong Kong provided a presentation outlining the Hong Kong market. They highlighted that in Hong Kong kitchens are shrinking or disappearing due to the lack of space therefore consumers are eating out

more and seeking healthier food. Stone fruit is in demand however more needs to be done in terms of marketing the provenance story and the characteristics of the fruit – e.g. softer pears are not defective, they are ripe. Asian market is seeking crunchy green pears, not soft, yellowing ones.

Invest Hong Kong is going to provide a contact for the Sydney Invest Kong office to assist Greater Shepparton growers to expand their markets.



ASIA FRUIT LOGISTICA HONG KONG 2018

Asia Fruit Logistica (AFL) is where every link of the international fresh fruit and vegetable supply chain meets face to face each year to make contacts and do business. It is the second largest expo of its kind in the world. Council represented the Greater Shepparton region with a stand at the Asia Fruit Logistica Expo. Council staff and growers were kept extremely busy, fielding enquiries over the three days, making connections with fruit growers/buyers and marketing the provenance story of the

region. The growers, State Government delegates and industry representatives were extremely complimentary of Council's efforts to have a presence on behalf of the region at the Expo and that this provided a greater opportunity to engage. Growers utilised the meeting rooms provided as part of the stand to negotiate outcomes with buyers. Council officers identified a number of areas that could be refined in relation to a presence at the Expo.



MEETING WITH DIRECTOR OF CV CHERRY FRUIT & PT CORONA PRAJITNA

CV Cherry Fruit imports apples and pears mainly from China and pears based on availability and price. They are very interested in purchasing Packham Pears, however is interested in medium quality rather than high quality as whilst there is a market for premium quality in Indonesia, the major volume is in lower quality fruit. CV Cherry Fruit is currently importing approximately five 40' containers a month to meet market demand and a majority of these pears are from South Africa.

They are currently importing broad beans and mung beans from Horsham, and also onions. There is interest in onions and the availability in Greater Shepparton, and in what volume they can be grown. They mentioned that they had experienced issues in the past with the size of product differentiation between order and delivery.



MEETING WITH GUNUNG SEWU GROUP – GREAT GIANT PINEAPPLE

The Gunung Sewu Group is currently importing Fuji apples from China and is wishing to import Packham Pears. They are currently servicing high end supermarkets with pineapples, milk and juices and export 12,000 containers of product a year.

The fruit that Gunung Sewu Group sell to the SE Asian market needs only to be of juicing quality and they outlined that they are also interested in pink lady apples. Gunung Sewu Group is looking for boneless beef and a partnership to grow strawberries and blueberries in Jakarta. They are looking for engineering and agricultural expertise to enhance their current business.



MEETING WITH VICTORIAN GOVERNMENT BUSINESS OFFICE – INDONESIA

Commissioner Brett Stevens explained the Indonesian market. The median wage in Jakarta is between \$6-10K per annum. There is a significant rising middle class that is looking for quality fruit products, however it is an extremely competitive market. Brett was very complimentary of Council's endeavours however said that whilst the AFL Expo is a great opportunity

to showcase the region, if we are looking to engage with the SE Asian market he recommends that the investment could be much better spent with a more targeted approach. Brett outlined that the Indonesian Government is seriously looking to upgrade the water system, and it would be a significant opportunity for Rubicon.

SUMMARY

Council's investment in the delegation to China, Hong Kong and Jakarta has opened the doors to new markets and new investment opportunities. Council will continue to implement the International Engagement Strategy which will open up further opportunities for Greater Shepparton businesses, and market the Greater Shepparton region as the food bowl of Australia and a key location to invest.

ACTION PLAN

DATE	ITEM	DISCUSSION POINTS	OPPORTUNITIES	ACTIONS	LINK TO I.E.S.	R.O
Wed, 29 Aug 2018	Jinko Solar	<ul style="list-style-type: none"> Victorian Government ambitious sustainability energy targets of 40% by 2025. GSCC large scale solar projects. Interest in Solar in Victoria in general. 	<ul style="list-style-type: none"> Sale of cells. Establishment of a base in Shepparton. Access to knowledge of solar projects. Assistance with development. 	<ul style="list-style-type: none"> Continue regular Business Updates to Jinko. Jinko to arrange a meeting with Council, landowners and the company to progress negotiations. Jinko to look at developing some promotional collateral for their own benefit, and to increase the community understanding of renewable energy. 	<p>2. Business – 2.5 Regularly engage with business to gain understanding regarding Council's priorities and ensure that they align with business objectives.</p> <p>4. Visitation – 4.3 Maintain dialogue with state and federal government regarding delegations and trade show opportunities and provide opportunity for local business to participate. 4.4 Offer opportunity to participate in both inbound and outbound delegations to relevant business.</p>	Economic Development
Wed, 29 Aug 2018	Business Victoria, Shanghai	<ul style="list-style-type: none"> Business opportunity matching. Relationship building. 	<ul style="list-style-type: none"> Exchange of information Investment matching. 	<ul style="list-style-type: none"> Letter of thanks for meeting with us. Package up information on investment opportunities such as GV Link, Airport Development, Solar Projects, Kidstown Accommodation. Provide regular business updates to Business Victoria. Invitation to Business Victoria to come to Shepparton and engage in a regional tour so that they have a better understanding of market and investment opportunities. 	<p>3.3 Promote the international opportunities that present themselves to business.</p> <p>3.4 Continue to promote Greater Shepparton as a place to invest through the Great Things Happen Here Campaign.</p>	Economic Development Marketing Communication
Wed, 29 Aug 2018	AusTrade, Shanghai	<ul style="list-style-type: none"> Fruit Protocols. Tourism. Relationship Building. 	<ul style="list-style-type: none"> Exchange of information. Improving knowledge of the foodbowl of Australia. 	<ul style="list-style-type: none"> Letter of thanks for meeting with us. Keep AusTrade informed of our lobbying and advocacy in relation to pear and apple protocols. Council to develop some concise marketing collateral for the AusTrade WeChat channel. Protocols – ensuring importers are registered when the protocols are delivered. 	<p>1. Support – 1.1 Regularly liaise with AusTrade, FIAL, ACBC, State Government, Federal Government, Victorian Trade Office and RDV regarding export, development and delegation (inbound and outbound) opportunities.</p> <p>1.3 Educational and training opportunities made available to support development and knowledge regarding standards, free trade and exports.</p>	Economic Development
Thu 30 Aug 2018	Changzhou Institute of Technology	<ul style="list-style-type: none"> Education facilities in China. Teaching methods in China. 	<ul style="list-style-type: none"> Education facilities in China. Teaching methods in China. 	<ul style="list-style-type: none"> Council is working closely with Claire Shen and Richard Speed from LaTrobe University to further the discussion with CIT in terms of a mutually beneficial arrangement between the two entities. Look at the MOU'S that have been developed between CIT and industry to increase research opportunities and opportunities for work placement. 		Economic Development

DATE	ITEM	DISCUSSION POINTS	OPPORTUNITIES	ACTIONS	LINK TO I.E.S.	R.O
Thu 30 Aug 2018	Jiangsu Jintan Secondary Specialised School	<ul style="list-style-type: none"> Education facilities in China. Teaching methods in China. 	<ul style="list-style-type: none"> Student and teacher exchange. International Students Summer camps. 	<ul style="list-style-type: none"> Letter of thanks to the School Principal for allowing our visit. Hold a discussion with Shepparton schools in relation to teacher and student exchange. 		Economic Development
Fri 29 Aug 2018	Jintan District Government, Jintan	<ul style="list-style-type: none"> Friendship City, Agreement. 	<ul style="list-style-type: none"> Ongoing exchange of information. 	<ul style="list-style-type: none"> Letter of thanks to Mayor, Mr Wang Bin & Deputy Mayor, Mr Zhou Xin Sheng. Provide regular business updates to the Jintan District Government. Continue to progress Friendship City Agreement objectives. 	<p>Friendship Cities 5.2 Circulate quarterly Council reports to cities with Friendship Agreements and maintain regular communication.</p> <p>5.3 Monitor Friendship/Sister City agreements to ensure economic/cultural objectives are being achieved.</p> <p>5.4 Host Friendship/Sister Cities to continue to build the relationship and promote Greater Shepparton as a place to invest, visit and enhance trade opportunity.</p>	Economic Development
Mon 3 Sep 2018	Invest Hong Kong	<ul style="list-style-type: none"> Market Access. Methods of promotion & marketing. 	<ul style="list-style-type: none"> Combined regional marketing and promotion. 	<ul style="list-style-type: none"> Invest Hong Kong is going to provide a contact for the Sydney office to assist Greater Shepparton growers to expand their markets. 	<p>3.3 Promote the international opportunities that present themselves to business.</p>	Economic Development
Mon 3 – 7 Sep 2018	Fruit Logistica, Hong Kong	<ul style="list-style-type: none"> Competition strengths and weaknesses. Market Access. Methods of promotion & marketing. 	<ul style="list-style-type: none"> Consolidating support amongst local growers to lobby for protocol changes. Combined regional marketing and promotion. 	<ul style="list-style-type: none"> Have a presence at the 2019 AFL. Continue to support local exporters. Meet with attendees to gain feedback and work with them to support their export potential. Learnings: <ul style="list-style-type: none"> Ensure the branding is more Australia focused. Have a greater focus on Cherries as they are in a high demand in Asia. Wear formal shirts. Position the stand next to APAL, Summer Fruit Australia and Seeka Australia. Communicate earlier with the growers to ensure they are aware of the benefits. 	<p>1. Support 1.1 Regularly liaise with Austrade, FIAL, ACBC, State Government, Federal Government, Victorian Trade Office and RDV regarding export, development and delegation (inbound and outbound) opportunities.</p> <p>2. Business 2.4 Encourage businesses to become involved in professional memberships (such as the Australia China Business Council) and activities with the objective of increasing export capabilities.</p>	Economic Development
Wed 5 Sep 2018	CV Cherry Fruit & PT Corona Prajitna		<ul style="list-style-type: none"> Document our understanding of various markets. Provide our local growers with the knowledge gained and information on market access opportunities. 	<ul style="list-style-type: none"> Connect with Packham Pear suppliers, and explore opportunity for onions. CV Cherry Fruit is participating in the trade delegation with Brett Stevens to Melbourne in September at the Melbourne Food and Beverage week. 		Economic Development

DATE	ITEM	DISCUSSION POINTS	OPPORTUNITIES	ACTIONS	LINK TO I.E.S.	R.O
Wed 5 Sep 2018	Gunung Sewu Group – Great Giant Pineapple		<ul style="list-style-type: none"> Document our understanding of various markets. Provide our local growers with the knowledge gained and information on market access opportunities. 	<ul style="list-style-type: none"> Facilitate introduction for Packham pears and Pink Lady apples, juicing quality. Explore opportunity for beef and partnership arrangements. 		Economic Development
Wed 5 Sep 2018	SHB Group (Importers for supermarkets)		<ul style="list-style-type: none"> Document our understanding of various markets. Provide our local growers with the knowledge gained and information on market access opportunities. 	<ul style="list-style-type: none"> Arrange a meeting with SHB to visit local orchardist in Greater Shepparton. Work with Phillip Morey who is a former grower in Greater Shepparton and the former commissioner. 		Economic Development
Wed 5 Sep 2018	Victorian Government Business Office – Indonesia	<ul style="list-style-type: none"> Business opportunity matching. Relationship building. 	<ul style="list-style-type: none"> Exchange of information. Investment matching. 	<ul style="list-style-type: none"> Package up information on investment opportunities such as GV Link, Airport Development, Solar Projects, Kidstown Accommodation. Provide regular business updates to Business Victoria. Facilitate a meeting between Rubicon and Business Victoria to progress opportunities for irrigation infrastructure and review the current broad approach to marketing Greater Shepparton product. 	<p>3.3 Promote the international opportunities that present themselves to business.</p> <p>3.4 Continue to promote Greater Shepparton as a place to invest through the Great Things Happen Here Campaign.</p>	Economic Development



