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2019

Young International Freight Forwarder of the Year



# ***'Big Irrigation and Infant Formula'***

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## **Introduction**

This dissertation will provide a breakdown of two exceptionally complex international freight movements. The first case study titled '*Big Irrigation*' will examine the logistical technicalities related to the importation of over 45,000 m<sup>3</sup> out of gauge irrigation pipes using a chartered sea freight breakbulk vessel. These pipes are being shipped from Adelaide Australia into Christchurch (Lyttelton Port), New Zealand.

The second case study titled '*Infant Formula*' will breakdown the regulatory intricacies related to the export of Infant Formula (Milk Powder) from New Zealand to China by air freight. It clarifies each step of the export process within this complex industry and explains how the physical cargo and supporting compliance documentation interlinks from the manufacturer to final mile delivery.

## **Acknowledgements**

I would like to acknowledge my employer for their unwavering support throughout my career and encouragement to apply for this opportunity.

I wanted to thank CBAFF of New Zealand for the opportunity to be recognised as the New Zealand Young Achiever winner and the opportunities that has provided me in my career including a trip to Singapore to visit the sea port and air terminal along with additional industry training and support services, I also acknowledge them having confidence in me to put forward my dissertation to FIATA.

Lastly I wanted to thank FIATA for this career enhancing opportunity. Thank you.

## **Import Case Study – Big Irrigation**

This case study will detail the full process of importing breakbulk cargo on a charter vessel service.

The information and experience was gathered first-hand as the shipment request was factual. Researching the various technical service and pricing possibilities for this shipment included engaging multiple service providers and authorities across the supply chain spectrum to generate and execute this import solution for my customer.

### **Overview**

My client is a leading New Zealand importer, manufacturer and installer of Glass Reinforced Plastic Pipe (GRP) used for a diverse range of pipeline systems. They were successful in the tender for the Central Plains Water Irrigation (CPWI) Scheme (Stage 2). *(CPWL, 2017)*

To provide insight, the Central Plains Water Irrigation Scheme is a large-scale project for water diversion, reticulation and irrigation for the Central Plains of Canterbury. The CPWI projects remit is to supply water to all shareholder farms signed up to the scheme. The fundamental establishment of the CPWI scheme is based around the diversion of water through constructed tunnels and a series of canals and water races to supply water for irrigation to an area of 60,000 hectares on the Canterbury Plains, New Zealand. Water is drawn by an intake at the Rakaia River which directs water into a 17,000m long gravity fed headrace along the plains to convey water north and into a reticulation system. This piped reticulation system provides pressurised water to all shareholder properties in the scheme area so they can have a reliable source of water for crop irrigation. *(CPWL, 2017)*

By successfully securing the multi-million dollar contract, my client was tasked with sourcing and supplying over 25,000 meters of various sized GRP pipe, which forms stage 2 of the CPWI network.

The product was manufactured at a facility in Adelaide, South Australia and needed to be imported under ExWorks (EXW) shipping terms to two laydown sites in Darfield, Canterbury, New Zealand.

### **The Import Process**

*In order to accurately convey the process, interactions and variations involved in this complex import shipment, I am going to breakdown the shipment into the following sub-headings:*

- The Clients Requirement
- Shipment Restrictions and Parameters
- Australian Transport and Handling
- Sea Freight Process
- New Zealand Import Formalities
- New Zealand Transport and Handling

## The Clients Requirement

My client was awarded the contract to source, supply and install over 25,000 meters of Glass Reinforced Plastic Pipe (GRP). The manufacturing facility was located 40 kilometres away from the Port of Adelaide, Australia and the pipe had to be delivered to two laydown sites in Darfield, Canterbury.

There were three sizes of pipe, the largest being over 2.6 meters in diameter and 13.5 meters in length. Fortunately, the two smaller sizes of pipe can be nested inside each of the larger pipes, automatically reducing the shipping footprint by two thirds.

There was a total of 530 bundles of pipe, each nested bundle had the dimensions of 13.5m (length) x 2.6m (diameter) and weighed a total of 23,000kg.

As an overview, they shipped a total of:

530 nested bundles

48,368 m<sup>3</sup> / 12,190,000 kg

The schedule of supply and delivery deadline was dictated by my client. Due to the diameter of the pipe, containerised shipping was not an option as the pipes outside dimensions meant it would not fit inside a 40ft high cube or open top container, so it needed to move as breakbulk cargo. Due to a tight delivery deadline, my client directed the shipment to be exported in the following sequence:

Sailing 1 = 150 Bundles

Sailing 2 = 380 Bundles

As their nominated International Freight Forwarder, I was tasked with sourcing their end to end logistics requirements to ensure a seamless, on time and cost effective supply chain solution.

## **Shipment Restrictions and Parameters**

Due to the complexity of the shipment, there were already a number of characteristic restrictions at play.

Restrictions specific to this particular import included:

### **Transport restrictions**

The supplier's location was 40km from the Port of Adelaide. Due to the pipe bundles diameter, each pipe required its own dedicated truck to cart from the suppliers yard to the Port. This involved a 2 hour round trip to complete a single delivery. Due to the number of deliveries and trucks required, it was impossible to have a continuous supply of trucks with pipes on deck to be available under the ships hook to be loaded onto the vessel. If there were delays in loading we would have incurred significant penalties for every hour beyond the agreed time allocation.

The supplier was also restricted in their ability to supply and load any more than 20 trucks per working day. As a result I needed to explore alternative transport strategies.

### **Supplier's / Consignor restrictions**

Unfortunately, the supplier was unable to store all of the bundles of pipe in their yard due to site capacity constraints. Consequently, we needed to arrange double handling (cartage) of the pipe from their yard to the storage yard, 'staging area'. This required sourcing over 13,000 m<sup>2</sup> of vacant storage area close to the port.

In addition we had to source and contract additional labour and equipment to manage unloading the trucks at the staging area and the associated handling in and out of storage.

## **New Zealand Delivery restrictions**

Due to the area where the pipes are being delivered in Canterbury, there were site specific access restrictions. This reduced the delivery window to specific months of the year, so that access is not impeded by swollen rivers and muddy ground - common over Canterbury's autumn and winter. Subsequently, we had a restricted delivery window which further limited our supply chain charter sailing options.

## **Australian Transport and Handling**

*In this segment, I am going to detail the supply chain strategy that was implemented in order to successfully move the manufactured pipes from the suppliers yard via a staging area and ultimately under the ships hook for loading onto the vessel.*

Discussions were held with the supplier about a realistic production model so we could accurately source, cost and supply a viable trucking solution. The supplier confirmed they were able to load 20 pipe bundles per day onto trucks, using their on-site crane. Calculating a 2 hour round trip, supplier operational hours between 0730 and 1530, 5 days per week and a maximum supply of 20 pipes per day. I determined a single truck could run 4 pipes per day, therefore we required a minimum of 5 trucks operating per day to provide a recurrent flow of pipe from the supplier's yard to the staging area. The impact of the supply constraints meant the above transport solution was operational for more than 26 working days over the course of the project.

Understanding the delivery constraints, timelines and deadlines, I made a number of phone calls in an attempt to source a storage / staging area that was available and equipped to handle the volume and requirements of this project.

I successfully managed to source a staging area at Flinders Ports on berth 18 at Port of Adelaide. This location was ideal as it was very close to where I arranged a charter vessel to berth and load. The cost of the staging area was negotiated at a weekly per m2 footprint rate. The project utilised the staging area for 22 weeks with a peak utilization of 13,000m2.

Following on from sourcing the delivery and staging area, I managed to track down a reputable and experienced Stevedoring company who can handle the various staging area requirements.

These tasks included:

- Coordinating acceptance of the delivery trucks into staging area
- Unloading the pipe bundles off each truck
- Sourcing cranes and associated equipment for handling pipe
- Planning the storage layout of the pipes in the staging area
- Double Slinging each pipe bundle in preparation for vessel loading
- Handling the pipes from the staging area to under the ships hook for loading

*(Dept. Immigration and Border Protection, 2017)*

*Please refer to Appendix A, B and C for related images.*

## **Sea Freight Process**

In combination with formalising a plan for the Australian landside requirements, I also had to source the shipping service that would transport the cargo from Port Adelaide to Lyttelton Port. I engaged in communication with a number of breakbulk carriers and charter brokers to see what options were available that met our requirements. I discovered that although the standard breakbulk carriers were more adaptable to

offer services and simplified solutions, their pricing was a lot higher in comparison to alternative options.

In the end I was presented with a 'part charter' option that had two sailings (on two different size vessels). This part charter option was linking into a service that was on a similar timeline on its way to Auckland.

Having a viable solution, I then established explicit service requirements and negotiated a price between my company and the charter broker. Terms and conditions were agreed upon by all parties involved and a 'charter party' was signed. A charter party being "*Hire or lease contract between the owner of a vessel (aircraft or ship), and the hirer or lessee (charterer). Under a charter party, a vessel is rented (in full or in part) for one or more voyages (voyage charter) or for a fixed period (time charter). Normally, the vessel owner retains rights of possession and control while the charter has the right to choose the ports of call. Also called charter agreement or charter contract, and written also as charter party*" (WebFinance, 2017)

The vessel was then scheduled to make a diversion on route to Auckland, New Zealand by calling into Adelaide Port, Australia to collect the bundles of pipe and call at Lyttelton Port, New Zealand.

*Please refer to appendix D and E for related images.*

## New Zealand Import Formalities

### Customs clearance:

In essence the customs clearance process is the same as a standard 'general cargo' import customs clearance. The data is transmitted electronically to NZ Customs and Ministry of Primary Industries 'MPI' from EDI Cargowise through the *Trade Single Window* 'TSW'.

*"The TSW is part of the Joint Border Management System (JBMS) managed by Customs and MPI. TSW uses new lodgement message formats based on the latest World Customs Organisation international data model (called WC03). These message formats combine the information requirements of all agencies as much as possible, enabling agencies to share the information provided. For imports, the new messages combine Customs and MPI information requirements in one lodgement. This means you do not have to send an import entry to Customs, and a separate Biosecurity Authority Clearance Certificate Application, or permit information for prescribed foods, to MPI". (NZ Customs Services, 2013)*

In preparation for customs clearance, our in-house customs broker ensured we had the following documentation:

- A shipment Bill of Lading
- A commercial invoice and packing list
- A quarantine declaration – in this instance confirming the breakbulk was clean at time of loading
- A Trade Single Window client code and a supplier code
- A declarant code and unique user identifier (UUI). *(NZ Customs Services, 2014)*

The pipes were then classified by our customer broker as:

**HTC Tariff:** 3917.39

**Description:** Flexible plastic tubes, pipes and hoses

**Duty Rate:** 0% - as manufactured in Australia. (Under the AANZFTA)

*(NZ Customs Services, 2015)*

### **Lodging documentation at Lyttelton Port**

In order for the successful arrival and receipt of the vessel, the ships agent in New Zealand lodged the necessary documentation and information with the Port Managers Department at Lyttelton Port. This included:

- Cargo Manifest
- Ships Bills of Lading
- Confirmation of cargo description and requirements
- Vessel particulars
- Confirmation items were not deemed high risk or Dangerous Goods

### **Ministry of Primary Industries (MPI)**

As the pipe is new, MPI automatically deemed the consignment low risk based on our electronic lodgement of information via the TSW. We expected to receive biosecurity clearance without inspection however in this instance, due to the size of the shipment, MPI decided it was prudent to undertake an inspection of part of the shipment. A Biosecurity Authority Clearance Certificate (BACC) was issued by MPI subject to MPI inspection upon arrival into Lyttelton Port.

Once the vessel had berthed, MPI undertook a physical inspection of the cargo and were satisfied the cargo was free of any biosecurity risks. The BACC was updated and re-issued granting a full MPI release into NZ. *(NZ Customs Services, 2017)*

### **New Zealand Transport and Handling**

Once the cargo had been released by NZ Customs and MPI, we were permitted to arrange final delivery of the product from Lyttelton Port to the two laydown sites in Darfield, Canterbury.

The NZ cartage and handling requirement was very similar to that required in Australia, whereby due to time constraints with how long the vessel was berthed in port, we needed to operate a hub and spoke delivery model taking the product off the port, to a nearby staging area. Once at the staging area, the cargo was unloaded and stored pending final delivery.

The main challenge with domestic transport, was being able to source a large fleet of trucks to continually be available under the ships hook and to arrange cartage to the staging area.

Thankfully, the transport hub and spoke model was a success and we did not incur any penalties for the vessel unloading being delayed.

The pipes were ultimately delivered to the two laydown sites on time and in-tact. The client was very happy with the overall handling, communication and execution of the project.

*Please refer to appendix F, G and H for related images.*

## **Conclusion / Recommendation**

In conclusion, sorting competitive and reliable service options for an ExWorks breakbulk shipment of this nature is very complex. It is very difficult ensuring you have every technical aspect of the supply chain process controlled so that when the shipment is executed, there are no unconsidered costs that arise.

In addition, when dealing with breakbulk cargo (or any freight for that matter), you need to complete ample due diligence to ensure the shipping lines, stevedores and trucking companies involved have relevant experience and infrastructure to ensure the overall accomplishment of the shipment.

My recommendations are to start the breakbulk process considering all possible options and methods to import the cargo. I found as I worked through the various service, pricing and handling methods, there were service combinations that complemented each other to offer increased logistics synergies.

I also believe in simulating the supply chain process and discussing possible risks and delays with contracted parties. This way, it better helps me understand and comprehend the particulars of the movement and recognise what variables may arise and possible solutions.

With a shipment of this nature, my main recommendation would be to focus on the preparation as once the cargo starts to move, it is very difficult to make wholesale changes should issues arise.

## Export Case Study – Infant Formula

### Overview

Infant formula is an alternative for breast milk for feeding infants. New Zealand has a reputation for the manufacture and supply of the world's highest quality milk powder products, which over the past 10 years has been a thriving export commodity for New Zealand.

Underpinning this demand was due to China's 2008 melamine scandal, in which six babies died and around 300,000 became sick after consuming locally manufactured dairy products tainted with the industrial chemical. This resulted in the virtual collapse of the country's (China) domestic formula industry and a huge spike in demand for imported products. ("NZ infant formula status at risk, say big players", 2019)

Since 2008, the demand from China's growing middle and upper class for New Zealand's highest quality infant formula has exploded. Initially when the demand arose, New Zealand and China did not have robust manufacturer and supply chain monitoring to ensure the highest reliability and procedures were being adhered to. In August of 2013, the potential volatility of this loosely monitored industry was brought to the world's attention when one of New Zealand's prime infant formula manufacturers internationally recalled over 900 tonnes of contaminated product which placed New Zealand's clean reputation under threat. ("NZ's dairy reputation under threat", 2019)

As a result of this scare, the international regulations surrounding this industry (especially between China and New Zealand) were significantly tightened.

In the following dissertation, I am going to breakdown the complex regulations and

requirements associated to the exporting of infant formula from New Zealand to China by air freight.

### **The client's requirement**

My client is a New Zealand based manufacturer and exporter of milk powder and infant formula products. For your understanding, please refer to 'appendix I' for a snapshot of the traditional 'farm to consumer' supply chain model of this commodity. As the nominated international freight forwarder, our remit is to provide logistical services from their storage facility based in Canterbury, New Zealand through to the end consignee who is based in Guangzhou, China.

### **Shipment Details**

The client has provided the following details as an overview of their export requirement:

Cargo Ready Date:	20 <sup>th</sup> January 2019
Shipment Commodity:	Infant Formula
Shipment Size:	3 Pallets, each to contain 300 x cans of infant formula
Dimensions:	120 (L) x 100 (W) x 130 (H) cm - per pallet
Weight:	374kg per pallet
Inco Terms:	Terms DAP including Customs Clearance
Collection address:	##### Storage Facility, Canterbury, NZ
Airport of Departure:	Christchurch, New Zealand (NZCHC)
Airport of Destination:	Guangzhou, Peoples Republic of China (CNCAN)
Delivery address:	##### Storage Facility, Guangzhou, CN
Consignee:	##### #####, Guangzhou, China

*Please refer to appendix J and K for related images.*

## The Export Booking Process

### Known or Unknown Shipper Status

Firstly we establish if the Shipper is a 'known shipper' with our company. This is vital to distinguish as it will effect what is included in our quotation for services and how shipment is loaded to be presented to the airline.

For example, 'unknown shippers' cannot be *Unit Load Device* 'ULD' loaded, this is for screening purposes, as a ULD is fully sealed, there is no way to screen as per *Regulated Air Cargo Agents* 'RACA' regulations. ("Air Cargo | Civil Aviation Authority of New Zealand", 2019)

To present the cargo as a ULD load you would have to manually screen each carton (very time consuming) then you are permitted to load the ULD and export as a known shipper. Once the shipper has completed 3 x unknown screened shipments and completed a known shippers form – then screening will no longer apply. For x-ray loading the maximum weight per skid is 200kgs and each *Cargo Terminal Operator* 'CTO' has specific dimensions for x-ray screening – or alternative screening will apply which will involve staff delivering product to the CTO and having the detection dogs scan the product which then requires the skids to be wrapped and sealed again.

Fortunately in this instance, the client is a regular exporter of air freight with our company and has a 'known shipper' status.

*Please refer to Appendix L for related image.*

## **Booking the cargo with the airline**

The booking of the airfreight shipment is made with the desired airline representative and due to the commodity, we have been provided with a 'commodity based' freight rate for milk powder rather than a 'general cargo' freight rate.

## **Risk Management Programme 'RMP'**

New Zealand's reputation for producing exceptional, high-quality food is fundamental to our exporting success. The New Zealand Ministry of Primary Industries helps exporters meet the standards demanded by consumers in over 200 global markets.

(Industries, 2019)

The *Risk Management Programme* 'RMP' forms a part of this standard. An RMP is a written programme designed to manage the hazards, wholesomeness and labelling of animal material and products. Hazards may be biological, chemical or physical.

The RMP describes how the manufacturer will process their products to meet the requirements of the Animal Products Act 1999. This is to ensure the products sold are 'fit for purpose' – safe, suitable and truthfully labelled. (Industries, 2019) To

ensure compliance with RMP, we need to ensure the consignment is being collected from a registered RMP approved storage facility. Furthermore the truck collecting the consignment and the depot who are tendering the cargo to the airline must also be RMP approved. Due to the RMP requirement, we ensure the parties associated to

this consignment are RMP approved and are aware of the associated RMP

obligations. Once the cargo arrives into the RMP approved depot (before being tendered to the airline), the consignment is required to be stored at the specific

temperature relative to the nature of the commodity. In this instance, infant formula is to be stored at an ambient temperature.

## **Source Eligibility Document 'ED'**

In conjunction with the RMP compliance, the supplier must raise a *Source Eligibility Document* 'ED' to the approved RMP site. In essence the ED is a New Zealand policy and procedure that keeps record of any persons or organisations handling a specific product prior to export, consequently safeguarding and monitoring the consignments supply chain integrity. Once the cargo has been inspected at the airline handling agent, the ED is raised back to the exporter with the additional information so they can apply for the Health Cert.

## **Animal Products (AP) E-cert / Health Cert / Phytosanitary Cert**

Animal Products E-cert otherwise referred to as a Health Certificate or a Phytosanitary Certificate is used for issuing export certificates for animal products including meat, seafood, game, poultry, eggs, pet food, bee products, hides, wool and skins, and dairy.

To use E-cert, a company must be:

- a business with a registered Risk Management Programme
- a registered exporter under the Animal Products Act 1999
- an export-approved premises
- acting as an agent for another company that is registered as one of the above.

Export certificates are used to give official, government-to-government assurance about products exported from New Zealand. They are issued by MPI when they are

satisfied a product complies with the relevant regulations and requirements (from New Zealand, as well as any extra requirements imposed by the importing country).

Statements on the certificates include information like:

- the country of origin of the product and its ingredients
- treatment or other processes the product has undergone, prior to export
- the microbiological status of the product
- the product's health status – for example, whether a certain animal or plant disease is present in New Zealand.

Depending on what the importing country requires, export certificates can be issued as:

- printed documents on secure paper
- digital information, transferred electronically from MPI's system to their own.

(Industries, 2019)

In our situation, our client uses the updated ED information to produce the Health Certificate online and submit this document electronically to MPI. Once this Health cert has been reviewed and approved by MPI, a representative from my company will call into our local MPI office and collect the original MPI stamped Health Cert / Phytosanitary Certificate and send this certificate accompanying the cargo in the airline documents pouch.

All supporting copies of this cert are made in black and white and then we place a 'COPY' stamp through the MPI logo, so these documents cannot be forged as originals. This is also electronically stored on our EDI Cargowise system for future reference. *Please refer to appendix M for related image.*

## **China Customs – Import Compliance**

From 1 January 2018, the Infant Formula registration requirements in the new Food Safety Law came fully into force. Infant Formula products, either domestically manufactured or imported through general trade, must obtain formula registration before they can be sold in the PRC. ("New Era for Infant Formula in China | China Law Insight", 2019)

For infant formula milk powder, the manufacturer needs to be registered with the General Administration of Customs, P.R. China prior to export.

Due to the strict regulations in place now in China, these registrations are extremely difficult to obtain, however my client is registered and conforms to this exclusive requirement.

In addition to the above, the manufacturer, consignee and the product needs to be registered with the Chinese government's website for 'Imported food and cosmetic importers and exporters' prior to export.

According to AQSIQ and GACC Notice Foreign food manufacturer and exporters' registration, all Foreign food producers, exporters and domestic consignees are required to file their company information online with the Bureau of Import and Export Food Safety of AQSIQ, China's General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. This requirement came into force with effect from 01 October, 2015 and annually renewal in AQSIQ. ("Food register at AQSIQ for dairy|meat|wine|seafood|fruit|Drink", 2019)

As my clients main market is China, they are registered and compliant to all current regulations specific for infant formula being imported to PR China.

## China Customs – Free Trade Agreement

In a world first for any developed country, New Zealand entered into a free trade agreement with China in 2008, and with it came a unique competitive advantage. The free trade agreement is a success story for both countries. It has opened up significant trade and economic opportunities and has been a catalyst for closer cooperation across a number of areas.

New Zealand goods exports to China have quadrupled since the free trade agreement was signed and entered into force in 2008. China is now New Zealand's largest trading partner, with two-way trade valued at over NZ\$28 billion in 2018. China is also New Zealand's second largest and fastest growing tourism market, largest source of international students, and a significant source of foreign investment. (Trade, 2019)

Issued electronically, these certificates of preference allow New Zealand exporters to benefit from preferential duties and clearance provisions under these free trade agreements;

NZ China Free Trade Agreement Certificates of Origin 'NZCFTA COO':

- From 1 October 2016: New Zealand exporters will be required to provide the NZCFTA COO number on the corresponding Export Entry either at time of applying for Export Entry or by way of an amendment
- From 20 December 2016: The data content of NZCFTA COO transmits in real time to China Customs - New import procedures apply for importers in China from 1 April 2017 with a transition period of 20 December 2016 - 31 March 2017 when both current and new procedures apply.

("Export Document Certification :: Auckland Chamber", 2019)

Understandably, my client's commercial sale and purchase contracts are heavily weighted around the ability for the consignee to import this commodity at a preferential duty rate so they produce and supply the NZCFTA COO accordingly. In combination with this the client will also need to provide a CERT3 Manufacturer's Declaration to support Free Sale Certification. In essence this is a detailed list from the supplier listing ingredients that matches all other supporting paperwork.

*Please refer to appendix N and O for related images.*

### **Airline Compliance**

Different air freight destinations have differing levels of compliance. As a result, we are required to seek airline compliance before tendering the physical cargo to the airlines so they are not caught up in any regulatory issues whilst the cargo is in their control. As this shipment is travelling to Guangzhou we need to provide the airline with copies of the Master Air waybill and the Health Certificate. This is so the consignment can be cleared at the first point of entry into China. The airline lodges these documents directly with China Customs and subsequently confirms back approval. We generally aim to complete this step 48 hours before the consignment is tendered to the airline.

## **China Sample Inspection**

Due to the nature of this commodity being infant formula, the strict regulations in China require an inspection at the final destination (Guangzhou). Samples are taken and sent to laboratory to ensure the product meets the exacting standards. The documentation is also cross checked against the physical product to ensure it matches descriptions, compliance and approved permits.

## **Pre Alert to destination Agent**

Once all regulatory approvals and bookings are in place we provide pre alert documentation of the shipment to our nominated freight agent representing our organisation in China. They are then looped into the supply chain to assist with the China Sample Inspection, Import Customs Clearance, cargo retrieval from the airline and final mile delivery to complete a seamless end to end service.

*Please refer to appendix P for related image.*

## **Export Documentation Summary**

The following is a bullet point summary of the documentation and permissions required for this shipment to be processed through all associated authorities through the supply chain:

- RMP Approval
- Transport and Airline bookings
- ED Compliance
- Ecert – Health Cert / Phytosanitary Cert
- Export Customs Clearance
- NZCFTA Certificate of origin (Free Trade Agreement)
- Manufacturer's Declaration to support Free Sale Certification
- Master Air waybill
- Commercial Invoice
- Packing List
- Pre Alert
- Airline Approvals
- China Customs Approvals
- Air freight Manifest
- China Import Approvals and Permits – where applicable
- China Laboratory Approvals
- Translation of the Chinese label – where applicable

## **Conclusion / Recommendation**

The exportation of food grade products, especially those being consumed by infants understandably comes with an extremely stringent supply chain model to ensure the highest levels of product and supply chain data integrity. The complexities associated to the end to end logistics of this commodity are substantial and it takes a specialist freight forwarder who have a sound comprehension of all aspects to ensure there shipments are accurately executed. My recommendation to a commodity of this nature would be to ensure one hundred percent compliance to all aspects of the end to end logistical solution. If compliance is not upheld it poses a significant risk of cargo being declined entry into China and possibly having to be destroyed. The risk to a New Zealand company trying to compete on a global scale in the Chinese Market means there is little room for error, especially when marketing a premium product.

So in conclusion, I would highly recommend any exporter in New Zealand of milk powder products to complete extensive due diligence before committing to any international freight forwarder. On the positive side, if they form a successful commercial partnership with an international freight forwarder this could have positive flow on effects for the demand of their products globally.

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## Appendices

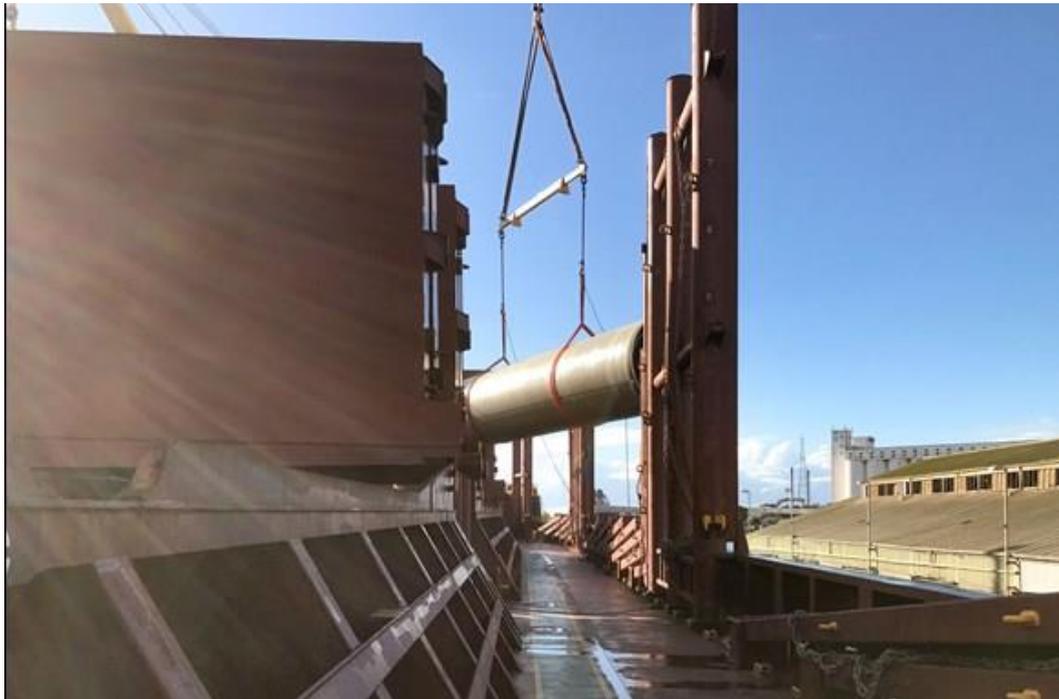
Appendix A – A single GRP Pipe being manufactured in Adelaide, Australia



Appendix B – A single GRP pipe being lifted off truck onto vessel



Appendix C – GRP Pipe being lifted by port crane onto vessel



Appendix D – Above Deck stow of GRP Pipe on charter vessel



Appendix E – Ships hold stow of GRP Pipe on Charter vessel



Appendix F – Truck unloading onsite at New Zealand laydown area



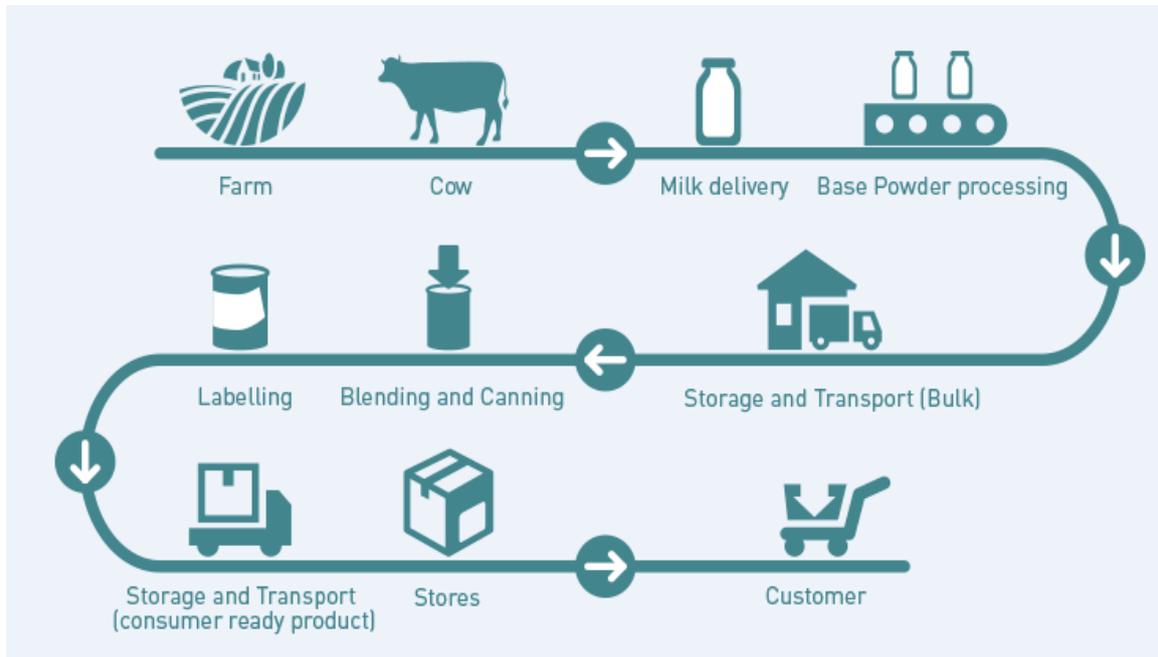
Appendix G – Image of the New Zealand laydown site



Appendix H – GRP Pipe placed in final position for installation



## Appendix I – Farm to Consumer supply chain snapshot



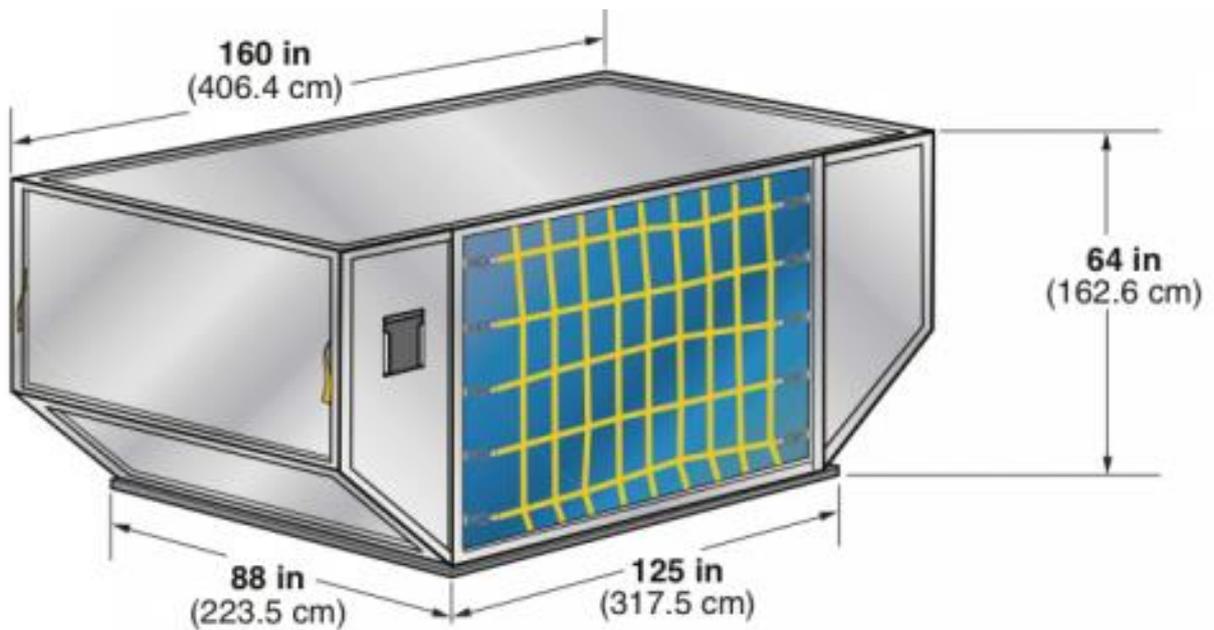
## Appendix J – Infant Formula manufacturing facility



Appendix K – Infant formula being palletized for distribution



Appendix L – Example of a Unit Load Device 'ULD'



# Appendix M – Example of Phytosanitary Certificate

**NEW ZEALAND MINISTRY OF AGRICULTURE AND FORESTRY**



Cert. No: NZL2006CPRES801N121881

**PHYTOSANITARY CERTIFICATE**

<p>Name and address of exporter:                  Export International Ltd                  P O Box 15615                  Waitema, WELLINGTON                  NEW ZEALAND</p>	<p>Exporting country: NEW ZEALAND</p>								
<p>Name and address of consignee:                  Museo de Arte Contemporáneo                  PASEO AERONAUTAS                  FRONTE A CALLE MOSQUITO                  SANTIAGO                  CHILE</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Place and country of destination: SANTIAGO, CHILE, CHILE</td> <td style="width: 50%;">Place of origin: New Zealand</td> </tr> <tr> <td>Means of transport: Sea</td> <td>Port of loading: Dunedin</td> </tr> <tr> <td>MSC UNITY 026</td> <td></td> </tr> <tr> <td>Port of discharge: Santiago</td> <td></td> </tr> </table>	Place and country of destination: SANTIAGO, CHILE, CHILE	Place of origin: New Zealand	Means of transport: Sea	Port of loading: Dunedin	MSC UNITY 026		Port of discharge: Santiago	
Place and country of destination: SANTIAGO, CHILE, CHILE	Place of origin: New Zealand								
Means of transport: Sea	Port of loading: Dunedin								
MSC UNITY 026									
Port of discharge: Santiago									

**Declaration Statement**  
 This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the relevant phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests.  
 They are deemed to be free from other pests.

**Additional Description:**  
 ISPM11 COMPLIANT WOOD PACKAGING

Item	Species and description of products	Origin and botanical name - Product description	Total Net Quantity
1	1 Crate - TRUCK LOGS & WOODEN CRATE - LOCAL VITICULTURE & PINE	SADRATA - 1 X CRATE W/ WOODEN ARTWORK / HOUSE BELL OF LAIRING - NZ76001246	00.000 kg

Consigning Marks: (1) MADON LENCH (2) MUSEO DE ARTE	Customer Identification Number (See Numbers): 01UNACAL
--------------------------------------------------------	-----------------------------------------------------------

<p><b>Disinfection and/or disinfectant treatment:</b></p> <p>(1) Date: 17 Jul 2006</p> <p>Chemical Active ingredients: METHYL BROMIDE</p> <p>Concentration: 30 GRAMS PER m<sup>3</sup></p>	<p>Treatment: FUMIGATION</p> <p>Duration and Temperature: 16.0 hours at 13.0 °C</p> <p>Additional Information:</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------

Place of issue: Wellington, New Zealand

Date: 27 Jul 2006



*[Signature]*

\_\_\_\_\_  
 Debbie Preston, Director Pests-Quarantine  
 Name of authorized officer

No financial liability with respect to this certificate shall attach to the New Zealand Ministry of Agriculture & Forestry or to any of its officers or representatives, inasmuch that, at the time of issue, this certificate is valid only when the phytosanitary and product integrity of the product has been established prior to issue. 10000

# Appendix N – Example of Certificate of Origin

CERTIFICATE NUMBER: EC001190375

<b>EXPORTER</b>  NEW ZEALAND
<b>CONSIGNEE</b> Asiaedge Marketing Ltd Unit 2405, Cheung Tat Centre 18 Cheung Lee Street Chai Wan HONG KONG

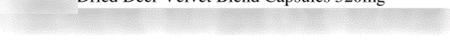


Smart Business Centre  
 Unit 3b, 65 Chapel St  
 Tauranga  
 PO Box 414  
 Tauranga  
 New Zealand  
 Tel: 064 +7 577 9823  
 Fax: 064 +7 577 0364  
 Email: chamber@tauranga.org.nz  
 Website:  
<http://www.tauranga.org.nz>

The undersigning duly authorized by the CHAMBER OF COMMERCE TAURANGA REGION INC. certifies on the basis of information supplied and to the best of their knowledge and belief that the goods designated below are of NEW ZEALAND origin, production and manufacture.

## CERTIFICATE OF NEW ZEALAND ORIGIN

<b>ETD</b> 21 <sup>st</sup> September 2017	
<b>CARRIER</b> GVI Logistics Ltd	<b>PORT OF LOADING</b> Auckland
<b>PORT OF DISCHARGE</b> Hong Kong	<b>FINAL DESTINATION</b>

MARK(S) & NUMBERS	NUMBER & TYPE OF PACKAGES AND DESCRIPTION OF GOODS	QUANTITY OR WEIGHT
CONSIGNMENT CODE – P3723795 	Dried Deer Velvet Blend Capsules 320mg   <b>NET WEIGHT</b>	 
This consignment of Deer Products (Cervus Elaphus) is derived from farmed animals, which will not be detrimental to the survival of the species in the wild and do not come from a species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora and conforms with the requirements of that Convention.		

<b>L/C Number</b>	<b>Value Unit Total</b>	<b>Remarks</b> LS3290121 to LS3290128
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This certificate is based on information supplied to the Chamber by the Consigner and is not to be taken as amounting to a warranty or representation of fact by the Chamber or its servants.



For Chamber of Commerce Tauranga Region Inc.

Date 19 Sep 2017
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## Appendix O – Example of Manufacturers Declaration to support Free Sale

Ministry for Primary Industries  
Manatū Ahu Matua



Ministry for Primary Industries  
Verification & Systems, Verification Services  
19 Richard Pearse Drive, Airport Oaks  
PO Box 53030, Auckland  
NEW ZEALAND  
Pb: (09) 909 6200, fax: (09) 909-6217  
[www.foodsafety.govt.nz](http://www.foodsafety.govt.nz)

### MANUFACTURER'S DECLARATION TO SUPPORT FREE SALE CERTIFICATION

#### Identification

Premises of Manufacture:

Product Description:

Lot identification:

#### Declarations

1. I hereby declare that the aforementioned product was processed, manufactured, packaged, stored, transported handled and labelled in accordance with the Food Act 1981 and all regulations issued by notice pursuant to section 42 of the Food Act 1981, unless exempt.
2. I hereby declare that the product description shown above accurately describes the nature of the product being exported.

**Signature:**

**Name of Signatory:**

**Position and Employer of Signatory:**

**Date:**

Appendix P – Finished Product on the shelf in China



Thank you for taking the time to read my report.