



NATURAL HEALTH PRODUCTS NZ SUMMIT 2019

26-28 MARCH 2019
HAMILTON, NEW ZEALAND

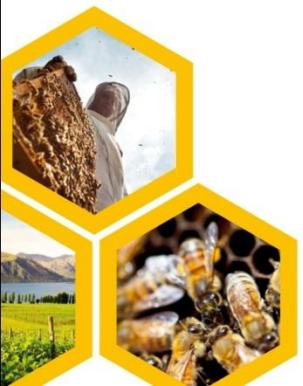
THE CHALLENGE OF CHANGE

A Working Example



Unique Mānuka Factor™
Honey Association

The Mānuka Honey Why protect the term Mānuka Honey?



- Mānuka is a Maori Word
- When a consumer buys a jar of Mānuka honey they expect it to come from New Zealand
- The correct and legal application of a 'common name' is required for the international honey industry to advance
- Research
- It's your story - history, family, land, culture, etc.



Unique Mānuka Factor™
Honey Association

Protecting the term 'Mānuka Honey'

From Waikato University Stevie Noe



Unique Mānuka Factor™
Honey Association

We are not alone



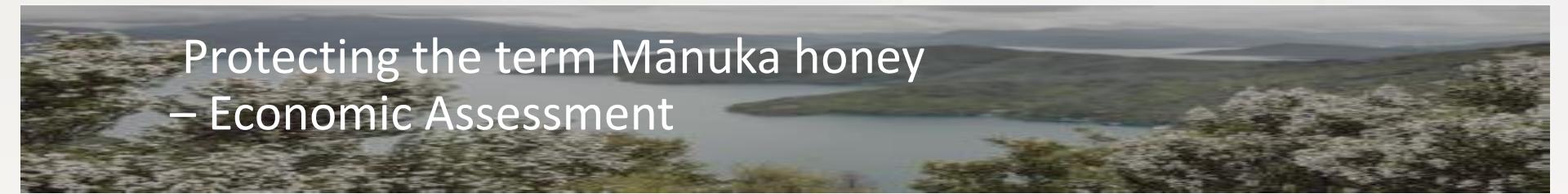
An Industry based Initiative

INITIATIVE IS
DOING THE RIGHT
THING WITHOUT
BEING TOLD

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- Key principle
 - It's Mānuka (the legal definition) +
It's from New Zealand
 - = open for anyone
- Who is managing the project?
 - MHAS team, industry stakeholders
 - Funded by UMFHA members
- Protecting the core position, enhance opportunity





Protecting the term Mānuka honey

– Economic Assessment

The strategy - to achieve projected export sales of \$1.2 billion of Mānuka Honey by 2028

1. By increasing value per kg received and increasing value-added products by an average 7% pa and
2. By increasing volume by 6% pa

NZ mānuka honey prices per kg could fall by 25% to the beekeeper as Australian exporters market a similar product at a reduced price

What does this mean for You?

Value loss of: \$360 million per annum

Value reduction to \$840 million pa by 2028 - 70% of target of \$1.2b

An overall potential cumulative annual loss to the NZ economy of \$2.1 billion over the next 10 years

The worst case scenario:

Other countries follow Australia's lead (already indications from Portugal and Argentina) and trade-off

This would destroy the market reputation of mānuka honey to the point where it becomes a commodity ingredient

The value may collapse to the price of ordinary honey of \$15kg worth \$96 million as export value, instead of \$1.2 billion

The Outcome



Mānuka honey exports growth potential to \$1.2 billion by 2033		ANNUALLY BY 2033		
Economic Benefits		Total Maori land by 2033	Annual Total by 2033	Economic multiplier x 3.1
Employment	New Regional jobs	446	1,338	4,319
Economic benefit from Employment	New Regional wages	\$ 22 million	\$70 million	\$215 million
Economic benefit from Exports	Manuka Honey products	\$287 million	\$1.2 billion	\$3 billion
Environmental benefit from tree planting	Manuka Trees	7 million	22 million	
Environmental benefits from environmental friendly species planting	Non arable land - land use category 5 to 7, planted to prevent erosion and provide basis for native afforestation	4,400 ha's	14,000 ha's	
CUMULATIVE TOTAL 2017 TO 2033				
Economic benefit from Employment	New Regional wages	\$175 million	\$547 million	\$1.7 billion
Economic benefit from Exports	Manuka Honey products	\$2 billion	\$ 10 billion	\$25 billion
Environmental benefit from tree planting	Manuka Trees	103 million	324 million	
Environmental benefits from environmental friendly species planting	Non arable land - land use category 5 to 7, planted to prevent erosion and provide basis for native afforestation	64,000 ha's	202,437 ha's	



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Is the assumption correct?



POTENTIAL IMPACT ON FEEDM MEMBERS OF MHAS TRADEMARK CASE

Trademark Granted

1. Increased upwards price pressure on scarce supply.
2. Those wishing to sell Manuka Honey produced outside of New Zealand will be unable to do so, even Leptospermum.
3. Restricted packing of product outside of New Zealand.
4. Heavy controls put on the marketing of the product.
5. Continued trade in Certified Manuka honey will require fees be paid to the MHAS.

**MHAS MONOPOLY OVER “MANUKA HONEY”
MUST PAY FEE TO TRADE MANUKA HONEY.**



Trademark Successfully Opposed

1. Whole of industry can continue to use “Manuka Honey” to describe honey products produced by bees from the nectar of Leptospermum flowers.
2. MHAS may be required to pay legal costs of opposition.
3. Participants may adopt New Standards developed by New Zealand Government, based on chemical markers.
4. Not required to pay fees for ‘certification’ to MHAS.
5. Australian made Manuka is available at a reduced cost.

**“MANUKA HONEY” REMAINS FREE TO USE
COMMODITY BULK PRICES COME DOWN.**

10





0:00 / 1:47



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This is not an anti-Australian story - (They have good honeys and their own story)



Why Protect the term 'Mānuka Honey'

• List of Countries current planting *Leptospermum Scoparium*, looking for that mānuka position

- Spain
- Portugal
- Italy
- Argentina
- Brazil
- Mexico
- China
- Australia

UNIQUE MANUKA FACTOR HONEY ASSOCIATION

The image shows a collection of flags from various countries arranged in a cluster. The flags include Spain, Portugal, Italy, Argentina, Brazil, Mexico, China, and Australia. There are also three hexagonal icons at the top right, each containing a different image related to honey: a close-up of honeycomb, a landscape with hills, and a close-up of bees.

- All *Leptospermum spp* Codex Alimentarius Labelling requires botanic name, not vague reference to genus level description
- Mono-floral definition - about 50% of NZ
- Multi-floral definition - anything less than mono-floral
- Claims
- Heating

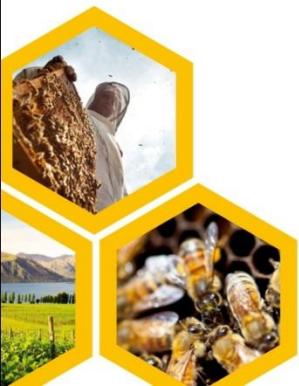


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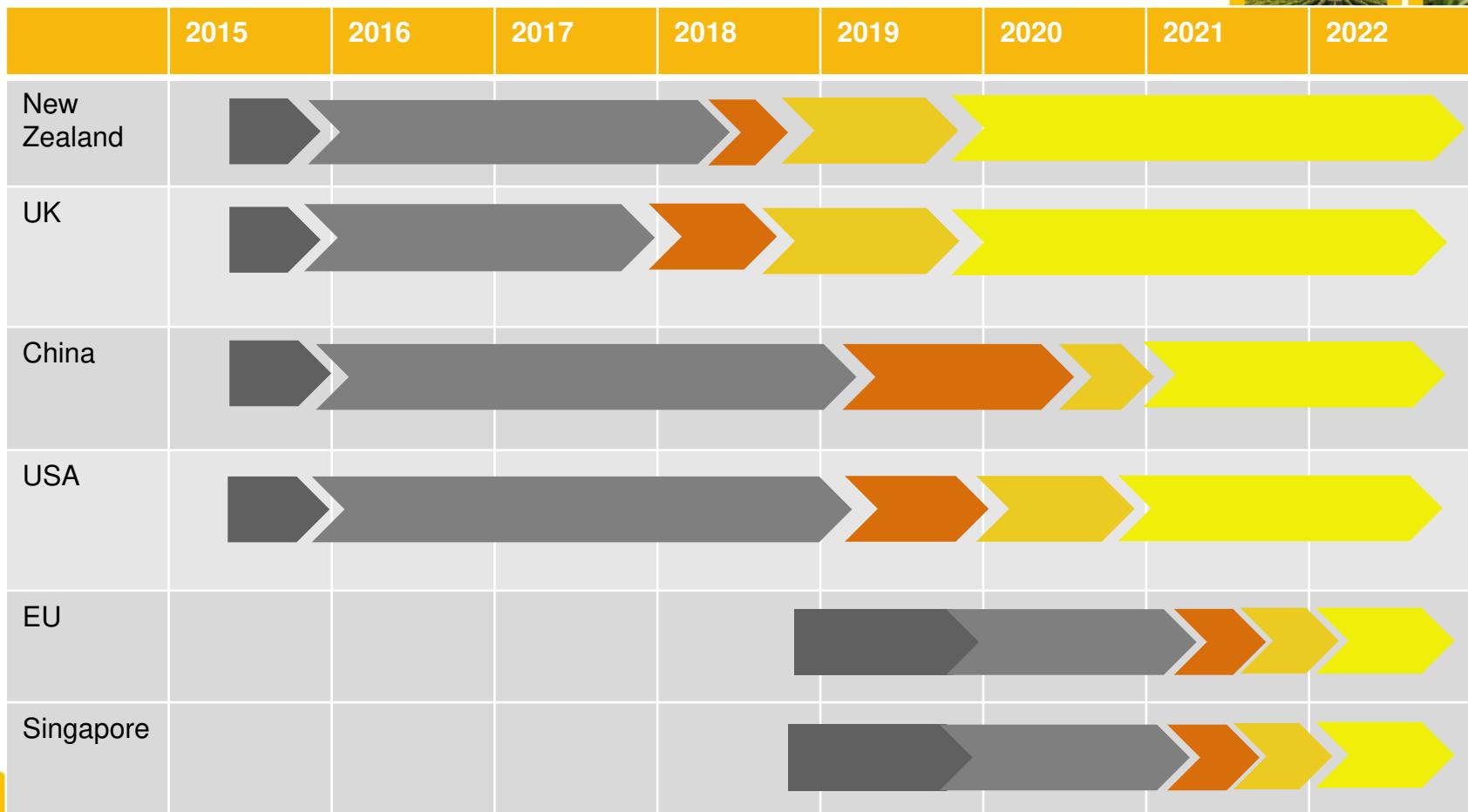
Is New Zealand Mānuka really different?



- New Zealand has a unique natural environment including soils, climate, flora and ecosystems. Mānuka nectar is the essence of this pristine environment. Bees collect nectar direct from the Mānuka flower, and from that nectar create a Mānuka honey that has a distinctive 'regional' taste.
- Over the past five years, New Zealand researchers have been pioneering how to collect the nectar of the Mānuka flower, and identify and assay its more than 2,300 unique chemical markers and complex signature compounds.
- As a result of our unique environment, New Zealand produces Mānuka honey that has a special taste which is very different from Australian honeys. Just as fruit or wines from different regions, soils, climates and seasons have distinctive tastes and characteristics, so too does Mānuka honey.



Protecting the term Mānuka Honey for New Zealand and genuine Mānuka Honey produced in New Zealand



Consultation opens on protection for food, wine and spirit names under the EU-NZ free trade agreement 19/12/2019



CTM Application lodged

Review

Application accepted and published

Any objections received and reviewed

CTM decision and approval

UK an NZ Rulings



- Manuka is a Maori word, the word used by the indigenous people of New Zealand for one specific plant being *Leptospermum scoparium*. The word Manuka has deep cultural significance and spiritual meaning for Maori people, given that much of New Zealand original native forests covering the land of Aotearoa New Zealand were Manuka. This is reflected in the decision of the UK Trademark Office in respect of our application for Trade Mark No. UK00003150262 as below

*5. I have now had the opportunity to consider all the relevant material submitted in support of this application and from that information I have concluded that the term 'Manuka' is a Maori word that is used to refer to the plant known by the botanical name *Leptospermum Scoparium*. This plant is grown in New Zealand and has been known by the common name 'Manuka' for some time. Although the plant '*Leptospermum Scoparium*' is grown in areas outside of New Zealand, it is known by different 'common' names in those territories. Therefore it is accepted that the term 'Manuka' would be seen as designating a specific plant variety grown in New Zealand.*



IPONZ Assistant Commissioner of Trade Marks Jane Glover stated in her decision, "Regardless of the surrounding legislative framework (which can change), from a trade mark perspective, I am comfortable that for New Zealand consumers at the relevant date, the mark.

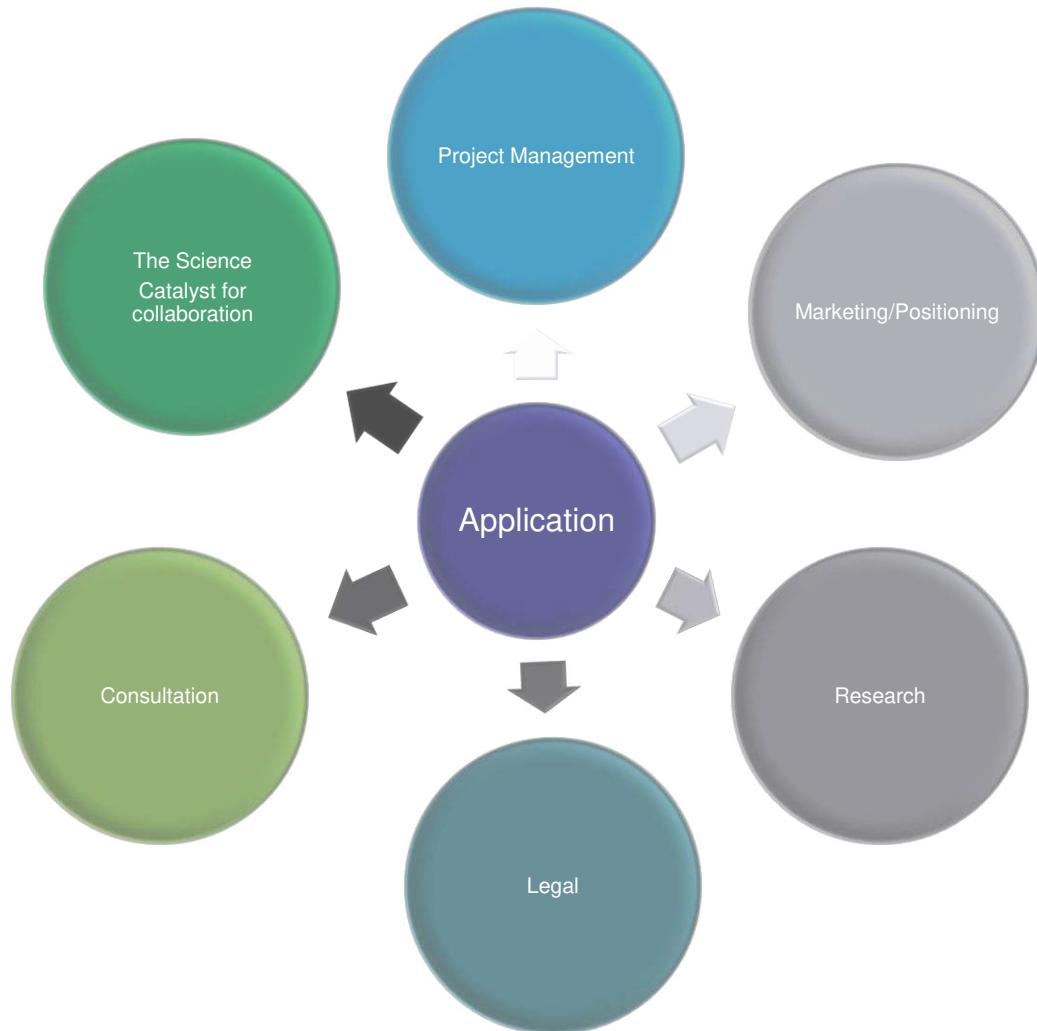
MĀNUKA.

HONEY was apt to differentiate *leptospermum scoparium* honey produced in New Zealand from *leptospermum* honey produced elsewhere. Ngāti Porou Mīere Limited Partnership General Manager and member of the Mānuka Appellation Society Victor Goldsmith says he is very pleased with the decision.

"The ruling effectively recognises that Mānuka is a Maori word that has important cultural significance for the indigenous people of New Zealand. It also validates the position Maori hold in terms of protecting Mānuka for current and future generations."



The PGF Application ..The Mono floral Position



Therefore it is accepted that the term 'Manuka' would be seen as designating a specific plant variety grown in New Zealand.



- A plant variety represents a more precisely defined group of plants, selected from within a species, with a common set of characteristics. (Source: UPOV-FAQ)
 - Family: Myrtaceae
 - Genus: Leptospermum
 - Species: *L. scoparium*
- Species description
 - The type specimen (holotype) of *Lacerta plica*, described by Linnaeus in 1758
 - Main article: Species description
 - A species is given a taxonomic name when a type specimen is described formally, in a publication that assigns it a unique scientific name. The description typically provides means for identifying the new species, differentiating it from other previously described and related or confusable species and provides a validly published name (in botany) or an available name (in zoology) when the paper is accepted for publication. The type material is usually held in a permanent repository, often the research collection of a major museum or university



Protecting the term Mānuka and Mānuka Honey for New Zealand and genuine Mānuka Honey produced in New Zealand



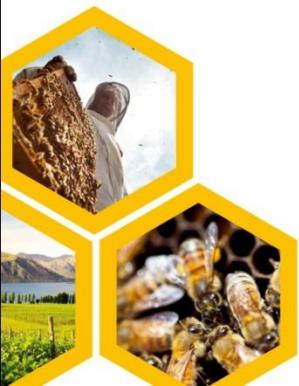
Guardianship of the 'IP' in the term 'Mānuka' and 'Mānuka honey' needs to be protected for Maori and New Zealand in perpetuity

Critical to this will be:

1. *'Guardianship of the IP'*

It is considered this will be through a trust (preferable a statutory trust) vested in Māoridom

NB: this could then be extended to include the descriptors of other native New Zealand mono-floral species e.g. Rewarewa, Kamahi and others





Farmers Weekly March 18th 2019 David Mahon



opportunity Mahon sees Manuka honey as a product with huge potential in a country where a significant amount of the product is fake. Honey is one of the three most faked food products in the world

"If that industry could do what Zespri did, then great, otherwise producers who are all relatively small will just cannibalise each other, despite the demand that there is here."

Consumer preferences in China are becoming more sophisticated very quickly, with a middle class that is well educated, healthy and increasingly wealthy seeking out quality, health-giving food products.

"They are going to where they see the greatest nutritional value and one big one is yoghurt and for infant formula it is preferred it is from a pasture-fed milk source."



Studies show that many fish oil supplements contain impurities and that 70% don't accurately state the amount of EPA and DHA in each pill 2 Feb 2019



The Challenge of Change



- While we can't change the change, we can change how we respond to it. – LBJ
- Supporting the mechanisms of change for:
 - + Core Production Standards (cGMP)
 - + Product definition
 - + Standardised grading/bioactives based on why the consumer purchases
- Enabling Consumer Trust
- The NZ Inc Story you can advance and build



Critical Points



- Independence in the process
- Consumer focus
- Able to be validated – regulatory context
- Auditing
- Ability to sanction
- All things must be positively positioned and expressed to the consumer in a positive manner
- Overseas markets and consumers don't want to see your dirty linen
- Models of coopetition are critical
- Respecting and supporting those adding value to a core position

