

OTHER EXPORT FRUIT

THIS REPORT CONTAINS THE KEY RESULTS FROM THE MINISTRY OF AGRICULTURE AND FORESTRY'S 2009 MONITORING PROGRAMME.

KEY POINTS

- › Financial performance for most fruit crops sold as fresh products improved in 2008/09 as yields and/or prices increased sufficiently to offset increased production costs. The main exception was avocados where yields were reduced by irregular bearing.
- › Growing conditions throughout 2008/09 were especially favourable for strawberries, cherries and apricots leading to high yields and good fruit quality. Blackcurrant yields were reduced by spring frosts.
- › Favourable movements in the exchange rate buffered lower prices for fresh fruits in export markets during 2008/09.
- › World prices for frozen berryfruit, including blueberries and boysenberries, have fallen and stocks are high, reducing gross margins for New Zealand growers.
- › Maintaining access to existing overseas markets and gaining access to new markets continues to be a key focus of grower and industry activities.

»» TABLE 1: OTHER EXPORT FRUIT GROSS MARGINS,¹ 2007/08 AND 2008/09

| YEAR ENDED 30 JUNE ² | 2007/08 | | | 2008/09 | | |
|---------------------------------|--------------|--------------|----------------------|--------------|--------------|----------------------|
| | PRICE (\$/T) | YIELD (T/HA) | GROSS MARGIN (\$/HA) | PRICE (\$/T) | YIELD (T/HA) | GROSS MARGIN (\$/HA) |
| EXPORT FRUIT CROP | | | | | | |
| Avocados | 1 350 | 9.5 | 5 700 | 2 020 | 4.6 | 2 130 |
| Blueberries – fresh | 9 300 | 7.0 | 23 105 | 9 670 | 7.0 | 22 170 |
| Blueberries – frozen | 7 000 | 3.0 | 13 460 | 4 000 | 3.2 | 4 495 |
| Blackcurrants | 1 240 | 7.0 | 3 690 | 1 240 | 4.2 | 1 000 |
| Strawberries | 4 180 | 29.9 | 31 460 | 4 070 | 34.6 | 30 690 |
| Boysenberries | 2 160 | 16.0 | 11 085 | 1 765 | 9.9 | -1 095 |
| Apricots ³ | 2 670 | 8.9 | 14 325 | 2 880 | 12.1 | 22 450 |
| Cherries ³ | 7 520 | 6.5 | 24 080 | 8 390 | 8.1 | 36 010 |
| Persimmons | 1 920 | 17.0 | 11 700 | 2 130 | 19.0 | 15 150 |
| Lemons | 1 050 | 33.2 | 18 140 | 1 050 | 35.0 | 19 450 |
| Satsuma mandarins | 1 150 | 20.8 | 8 640 | 1 150 | 25.0 | 11 050 |

Notes

1 The gross margin calculates the revenue less direct expenses for growing, harvesting and marketing the crop. It does not take account of overheads such as administration, debt servicing, tax, drawings or development, capital spending and land costs. These figures may vary considerably, due to individual differences such as varieties and yields. For growers producing solely for the domestic market, the gross margin may be considerably different. The gross margin is for an export-orientated grower, but includes returns generated on the local market from fruit not suited to export.

2 The financial year end for this report is 30 June. Harvesting and export activities for apricots, fresh blueberries, cherries and strawberries are completed by 30 June. The figures for lemons, mandarins and persimmons are estimates as seasonal activities are incomplete. For blueberries, blackcurrants and boysenberries, where a significant portion of the crop is frozen at harvest and progressively sold, figures for the year ended 30 June are also estimates. Some figures previously published for these crops have been revised to align with the 30 June year end and reflect returns on stored berryfruit products.

3 Previously published figures for apricots and cherries have been revised.

Sources

Avocado Industry Council, Blackcurrants New Zealand Ltd, Blueberries New Zealand (Inc.), New Zealand Boysenberry Council, Fruition Horticulture (BOP) Ltd, Lynda Hawes, Strawberries New Zealand (Inc.), Summerfruit New Zealand, Marie Dawkins, Citrus Growers Incorporated.

FINANCIAL PERFORMANCE OF OTHER EXPORT FRUIT IN 2008/09

Financial outcomes for most fresh fruit crops covered in this chapter improved in 2008/09 compared with the previous year, with the notable exception of avocados. Growers of strawberries, cherries and apricots were able to capitalise on good yields, high fruit quality and favourable exchange rates in their export markets during the 2008/09 season, with cherries and apricots achieving a significant lift in gross margins compared with recent years.

Lower production due to irregular bearing was the main cause of the lower gross margin for avocados. Spring frosts reduced yields of blackcurrants resulting in a lower gross margin.

Gross margins for lemons, Satsuma mandarins and persimmons are expected to improve in the year to June 2009, due to higher yields and stable prices. Harvesting of these crops was incomplete at the time of writing this report.

Gross margins have deteriorated for berryfruit crops such as blueberries and boysenberries, where a significant proportion is sold as frozen product into export markets. Weak consumer demand as a result of the global recession and adequate supplies from Northern Hemisphere producers have depressed in-market prices and slowed sales. Lower yields due to disease also influenced the poor financial outcome for boysenberries in 2008/09.

All sectors reported higher production costs over 2008/09 due to higher input prices. Costs have increased for labour, fertiliser, fuel and packaging.

Export earnings for several fruit crops increased in the year to June 2009, including fresh blueberries, strawberries, apricots, cherries, persimmons and Satsuma mandarins. This was a result of higher export volumes and also in most instances, higher prices.



AVOCADOS

- › Avocado production was down in 2008/09. The crop is continuing to exhibit a biennial bearing pattern with light crops following heavy crops. Due to this pattern, many orchards, particularly in the Bay of Plenty region, experienced a light crop contributing to an “off-year” in 2008/09.
- › Export volumes decreased as a result of reduced production, down almost 50 percent on the previous year. However, export returns per kilogram improved by 25 percent in 2008/09 with an average export return of \$4.97 per kilogram free on board.
- › Most of the export crop was sent to Australia. A sales programme into the developing Japanese market was supported despite the low volume of fruit available for export. No fruit was exported to the United States market this season. Exports to the United States are likely to resume in 2009/10 due to higher production but grower returns from this market are strongly influenced by the exchange rate.
- › The significant reduction in yield led to a drop in the gross margin to \$2130 per hectare, the lowest level in recent years.
- › Prospects for the 2009/10 season are for a substantial crop volume approaching the level of the record 2007/08 harvest, due to an “on-year” for the crop and maturing plantings coming into production. The industry is planning for considerable production growth in the next five years. The industry reports that 30 percent of avocado orchards are still immature.
- › New plantings have slowed. The most recent plantings have occurred on irrigated properties in Northland.
- › Biennial bearing is problematic for the industry as fluctuating production disrupts market development and grower returns. Growers are trialling flower pruning techniques to see if they can overcome this irregular bearing pattern.
- › A grower group set up a new avocado oil plant in 2008/09 to provide an additional outlet for low grade fruit.

»» TABLE 2: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR AVOCADOS

| YEAR ENDED 30 JUNE | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | 4.8 | 7.9 | 3.4 | 9.5 | 4.6 |
| Price (\$/t) | .. | .. | 2 880 | 1 350 | 2 020 |
| Total costs (\$/ha) | .. | .. | 5 420 | 7 125 | 7 160 |
| Gross revenue (\$/ha) | .. | .. | 9 790 | 12 825 | 9 290 |
| Gross margin (\$/ha) | .. | .. | 4 370 | 5 700 | 2 130 |
| Estimated planted area (ha) | .. | 4 400 | .. | 5 246 | .. |
| Export volume (t) | 6 094 | 14 391 | 5 412 | 15 045 | 7 721 |
| Export value (\$m FOB ¹) | 29.0 | 53.9 | 28.5 | 59.3 | 38.4 |

Note

1 Free on board.

Symbol

.. Comparable data not available.

Sources

Statistics New Zealand, Avocado Growers Association, Avocado Industry Council, Fruition Horticulture (BOP) Ltd.

EXPORT BERRYFRUIT

Several of the berryfruit crops have a significant proportion of their crop sold as frozen product for export. Sales have slowed due to weaker demand. Stocks of frozen fruit from the 2008/09 harvest are in storage facing further challenging market conditions. This is influencing grower's cash flow and overall returns.

BLUEBERRIES – FRESH AND FROZEN

- › Blueberry yields were variable in the 2008/09 season. Yields from some plantations in the Waikato region affected by drought in 2007/08, were reduced by 25–35 percent. However, those with adequate irrigation systems report yield increases of up to 50 percent compared with the previous year.
- › Prices in international markets for fresh New Zealand blueberries declined in 2009; however, this was offset by the lower value of the New Zealand dollar. Fresh blueberries from Chile continue to compete with New Zealand fruit in our export markets.
- › Stocks of frozen Northern Hemisphere fruit are at high levels and are impacting on the sale volumes and prices for Southern Hemisphere fruit. As a result, reduced prices are expected for frozen blueberries with an increase in costs due to longer storage periods. The result is a reduction in gross margin per hectare of 67 percent in 2008/09 compared with the previous year.
- › Blueberry growers are looking to increase yields to improve cost efficiency.

»» TABLE 3: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR BLUEBERRIES

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Total estimated planted area (ha) | .. | 420 | 450 | .. | .. |
| FRESH BLUEBERRIES | | | | | |
| Yield (t/ha) | 6.0 | 7.0 | 7.5 | 7.0 | 7.0 |
| Price (\$/t) | 9 720 | 10 195 | 10 340 | 9 300 | 9 670 |
| Total costs (\$/ha) | 34 380 | 42 510 | 47 080 | 41 995 | 45 520 |
| Gross revenue (\$/ha) | 58 320 | 71 365 | 77 550 | 65 100 | 67 690 |
| Gross margin (\$/ha) | 23 940 | 28 855 | 30 470 | 23 105 | 22 170 |
| Export volume (t) | 507 | 741 | 822 | 683 | 700 |
| Export value (\$m FOB ²) | 9.18 | 12.48 | 14.51 | 11.35 | 13.33 |
| FROZEN BLUEBERRIES | | | | | |
| Yield (t/ha) | 1.8 | 3.0 | 3.0 | 3.0 | 3.2 |
| Price (\$/t) | 4 600 | 5 300 | 7 000 | 7 000 | 4 000 |
| Total costs (\$/ha) | 5 320 | 7 200 | 7 270 | 7 540 | 8 305 |
| Gross revenue (\$/ha) | 8 280 | 15 900 | 21 000 | 21 000 | 12 800 |
| Gross margin (\$/ha) | 2 960 | 8 700 | 13 730 | 13 460 | 4 495 |
| Export volume (t) | 236 | 214 | 112 | 154 | 125 |
| Export value (\$m FOB) | 1.99 | 1.27 | 0.75 | 1.21 | 1.00 |

Notes

1 The year ended 31 March was used for previous reports, with estimates made of sales of crop on hand. Due to the timing of data collection, these previously published figures are comparable with a June year end.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Blueberries New Zealand (Inc.), Blueberry Country Ltd, Lynda Hawes.

BLACKCURRANTS

- › Blackcurrant yields declined by 40 percent in 2008/09 due to severe frost damage during November in the Canterbury and Nelson regions.
- › A small volume of New Zealand product has been pre-sold at good prices, but producers are facing downward price pressure from European buyers, which will impact on the high proportion of the New Zealand crop currently held in storage.
- › Those supplying to markets with specific specifications such as fruit sweetness and high antioxidant levels are achieving above average returns for their products.
- › Machine harvesting costs increased on a per unit basis in 2008/09 due to the lower yields produced in the frost affected blocks. Fertiliser, pesticide, packaging, freight and coolstorage costs have also increased. The net result is a 73 percent reduction in the gross margin to \$1000 per hectare.

»» TABLE 4: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR BLACKCURRANTS

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | 7.2 | 7.2 | 7.0 | 7.0 | 4.2 |
| Price (\$/t) | 1 000 | 1 000 | 1 240 | 1 240 | 1 240 |
| Total costs (\$/ha) | 4 200 | 4 490 | 4 990 | 4 990 | 4 210 |
| Gross revenue (\$/ha) | 7 200 | 7 200 | 8 680 | 8 680 | 5 210 |
| Gross margin (\$/ha) | 3 000 | 2 710 | 3 690 | 3 690 | 1 000 |
| Estimated planted area (ha) | 1 450 | 1 450 | 1 450 | .. | .. |
| Export volume (t) | 1 786 | 1 448 | 1 983 | 3 360 | 2 219 |
| Export value (\$m FOB ²) | 11.98 | 10.83 | 15.37 | 23.15 | 18.25 |

Notes

1 The year ended 31 March was used for previous reports, with estimates made of sales of crop on hand. Due to the timing of data collection, these previously published figures are comparable with a June year end.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Blueberries New Zealand (Inc.), Blueberry Country Ltd, Lynda Hawes.

STRAWBERRIES

- › Favourable spring and summer conditions led to good strawberry yields and fruit quality in the 2008/09 season. Production increased on average by 15 percent.
- › Export returns from key markets such as the United States, Hong Kong, Singapore, Malaysia and Thailand improved, mainly influenced by favourable exchange rates.
- › Higher yields and good prices helped offset higher input costs, delivering a gross margin of \$30 690 per hectare, slightly below that of the previous year.
- › Growers are using surplus cash to invest in new varieties to expand their production programme. Many are planting Camino Real because of its early season production benefits.
- › The industry is expected to plant about 10 percent more strawberries in 2009/10. New growers are entering the market, and exploring local niche market opportunities in particular. However, plant suppliers are focusing on growing to order for existing growers as demand for plants exceeds current nursery supplies.

»» TABLE 5: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR STRAWBERRIES

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | 21.3 | 28.0 | 25.2 | 29.9 | 34.6 |
| Price (\$/t) | 3 870 | 4 000 | 4 250 | 4 180 | 4 070 |
| Total costs (\$/ha) | 64 738 | 86 060 | 79 910 | 93 520 | 110 220 |
| Gross revenue (\$/ha) | 82 238 | 112 000 | 107 100 | 124 980 | 140 910 |
| Gross margin (\$/ha) | 17 500 | 25 940 | 27 190 | 31 460 | 30 690 |
| Estimated planted area (ha) | 175 | 170 | 175 | .. | .. |
| Export volume (t) | 673 | 582 | 637 | 551 | 636 |
| Export value (\$m FOB ²) | 5.08 | 3.85 | 3.81 | 3.74 | 5.03 |

Notes

1 The year ended 31 March was used for previous reports. Due to the timing of harvest and export, these figures are comparable with a June year end as strawberries are mostly sold fresh.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Strawberries New Zealand Inc, Best Berries Ltd, Delica NZ Ltd/Turners and Growers, Fresh Fruit Exports Ltd, Plant and Food Research Ltd, Lynda Hawes.



BOYSENBERRIES

- › In 2008/09, total boysenberry production was 2000 tonnes compared with earlier crop estimates of 3200 to 3500 tonnes. Some growers, anticipating the market opportunity for residue free fruit, applied minimal fungicide programmes but lost significant yield as a result of wet weather during flowering and harvest.
- › The boysenberry industry has been severely affected by weakened consumer demand as a result of the global recession. Around 1000 tonnes of frozen product from the 2007/08 season has remained unsold as of June 2009. Buyers are ordering for “just in time” delivery, meaning that suppliers have to store the product for longer. There are also fewer confirmed sales for the 2008/09 crop including no orders for the Japanese market despite significant market development work over recent years.
- › Prices fell by almost 20 percent in 2008/09 to \$1765 per tonne.
- › Like all other fruit growers, boysenberry growers have experienced increased costs for inputs such as labour, fuel, packaging, chemicals and fertiliser in 2008/09 compared with the previous season.
- › The combination of increased costs, uncertain sales and poor cash flow is of significant concern to the industry. Boysenberry growers in the main growing region, Nelson, are reviewing the situation and putting emergency management plans in place for next year’s crop. Some are considering completely mowing off all canes this winter, so that no crop would be carried next season (2009/10).

»» TABLE 6: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR BOYSENBERRIES

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | 14.4 | 17.0 | 16.0 | 16.0 | 9.9 |
| Price (\$/t) | 1 960 | 2 010 | 2 010 | 2 160 | 1 765 |
| Total costs (\$/ha) | 20 230 | 22 495 | 21 625 | 23 475 | 18 605 |
| Gross revenue (\$/ha) | 28 225 | 34 170 | 32 160 | 34 560 | 17 510 |
| Gross margin (\$/ha) | 7 995 | 11 675 | 10 535 | 11 085 | -1 095 |
| Estimated planted area (ha) | 206 | 209 | 214 | .. | .. |
| Export volume (t) | 1 110 | 1 109 | 1 080 | 1 123 | 1 015 |
| Export value (\$m FOB ²) | 4.21 | 5.01 | 4.76 | 5.77 | 4.10 |

Notes

1 The year ended 31 March was used for previous reports, with estimates made of sales of crop on hand. Due to the timing of data collection, these previously published figures are comparable with a June year end.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, New Zealand Boysenberry Council, Berryfruit Exports New Zealand Ltd, Plant and Food Research Ltd, Lynda Hawes.

SUMMERFRUIT

APRICOTS

- › Warm sunny days in late spring and early summer in Otago (the main export summerfruit region) were ideal for apricot production resulting in an increase in average yields and good quality fruit with a high juice and sugar content.
- › Export volumes increased by over 40 percent to 1329 tonnes in the year to June 2009. Over 70 percent of the total export volume was sent to Australia where reduced domestic production as a result of floods, high temperatures and fires led to strong demand and good prices for New Zealand apricots. The total export volume to Australia reached 970 tonnes in 2008/09, up 50 percent on the previous year.
- › Higher yields and prices resulted in a significant lift in the gross margin per hectare for apricots in 2008/09 to \$22 450 per hectare.
- › Access to United States markets was affected by the interception of light brown apple moth in some late season sea freight shipments of apricots. The US market now requires additional certification on all shipments of New Zealand summerfruit, stating that the fruit is free of light brown apple moth.

»» TABLE 7: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR APRICOTS

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 ² | 2007/08 ² | 2008/09 |
|--------------------------------------|---------|---------|----------------------|----------------------|---------|
| Yield (t/ha) | .. | .. | 8.7 | 8.9 | 12.1 |
| Price (\$/t) | .. | .. | 2 380 | 2 670 | 2 880 |
| Total costs (\$/ha) | .. | .. | 8 720 | 9 440 | 12 400 |
| Gross revenue (\$/ha) | .. | .. | 20 705 | 23 765 | 34 850 |
| Gross margin (\$/ha) | .. | .. | 11 985 | 14 325 | 22 450 |
| Estimated planted area (ha) | 480 | .. | 457 | .. | .. |
| Export volume (t) | 968 | 950 | 1 916 | 943 | 1 329 |
| Export value (\$m FOB ³) | 5.13 | 4.57 | 8.86 | 4.96 | 7.48 |

Notes

1 The year ended 31 March was used for previous reports. Due to the timing of harvest and export, these figures are comparable with a June year end as apricots are mostly sold fresh.

2 Figures previously published have been revised in this report.

3 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Summerfruit New Zealand, Marie Dawkins, Fruition Horticulture (BOP) Ltd.



CHERRIES

- › The industry experienced another very good season with increased yields resulting in 1520 tonnes of cherries being exported in the year to June 2009. This was the largest volume exported in the past 5 years.
- › Whilst fruit quality was good overall, quality in the variety 'Stella' was adversely affected by late spring rain, leading to soft fruit and reducing export packout. The problem was limited to a two to three week period in early January and did not affect later maturing varieties.
- › The domestic market consumed 42 percent of total cherry production in 2008/09 and remains the largest single market for New Zealand cherries.
- › Asia is the strongest export market for New Zealand cherries, taking up to 90 percent of export production in 2008/09. Within this group, Taiwan is the largest market, taking 50 percent of the export volume; markets in Korea and Thailand are also developing.
- › Average export returns increased 17 percent in 2008/09 to \$14.42 per kilogram free on board compared with 2007/08. This price reflects premiums being paid for high quality fruit.
- › Higher yields and prices resulted in a significant lift in the gross margin for cherries in 2008/09 to \$36 010 per hectare.

»» TABLE 8: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR CHERRIES

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 ² | 2007/08 ² | 2008/09 |
|--------------------------------------|---------|---------|----------------------|----------------------|---------|
| Yield (t/ha) | .. | .. | 5.9 | 6.5 | 8.1 |
| Price (\$/t) | .. | .. | 7 180 | 7 520 | 8 390 |
| Total costs (\$/ha) | .. | .. | 21 150 | 24 800 | 31 950 |
| Gross revenue (\$/ha) | .. | .. | 42 360 | 48 880 | 67 960 |
| Gross margin (\$/ha) | .. | .. | 21 210 | 24 080 | 36 010 |
| Estimated planted area (ha) | 524 | .. | 520 | .. | .. |
| Export volume (t) | 880 | 791 | 664 | 1 296 | 1 520 |
| Export value (\$m FOB ³) | 10.49 | 8.99 | 8.06 | 15.94 | 21.92 |

Notes

1 The year ended 31 March was used for previous reports. Due to the timing of harvest and export, these figures are comparable with a June year end as cherries are mostly sold fresh.

2 Figures previously published have been revised in this report.

3 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Summerfruit New Zealand, Marie Dawkins, Fruition Horticulture (BOP) Ltd.

PERSIMMONS

- › Persimmon gross margins are expected to increase in the year to June 2009 because of higher yields and prices. Fruit quality is also expected to be good.
- › Market access continues to be an important focus of industry activities. Progress is being made towards gaining access to the United States market.
- › Orchard production protocols have been developed for disease control and improved flavour as an outcome of industry funded research.
- › A working group has recommended that an International Commercial Persimmon Industry Association be formed to focus on promotion, research into health attributes and facilitating communication among international industry participants.

»» TABLE 9: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR PERSIMMONS

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | .. | .. | .. | 17 | 19 |
| Price (\$/t) | .. | .. | .. | 1 920 | 2 130 |
| Total costs (\$/ha) | .. | .. | .. | 20 940 | 25 320 |
| Gross revenue (\$/ha) | .. | .. | .. | 32 640 | 40 470 |
| Gross margin (\$/ha) | .. | .. | .. | 11 700 | 15 150 |
| Estimated planted area (ha) | 195 | .. | 180 | .. | .. |
| Export volume (t) | 1 506 | 1 883 | 1 622 | 1 667 | 1 527 |
| Export value (\$m FOB ²) | 5.83 | 7.50 | 6.79 | 7.49 | 7.56 |

Notes

1 Figures for the year ended 30 June 2009 are an estimate as seasonal activities had not concluded at the time of compiling this report.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Persimmon Industry Council, Fruition Horticulture (BOP) Ltd.

LEMONS AND SATSUMA MANDARINS

LEMONS

- › The main production areas for lemons are Northland and Gisborne supplying fruit to the domestic market. However the domestic market is sensitive to oversupply and prices drop when peak production from these regions coincide.
- › Yield from the 2008 lemon crop was below average resulting in larger fruit size. Yields for the 2009 crop have returned to average levels. However, fruit size is below average due to the larger crop and extended dry conditions throughout the Gisborne area in particular, during the 2008/09 growing season.
- › Around 10 to 20 percent of the New Zealand lemon crop is exported annually, the main export market being Japan.

»» TABLE 10: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR LEMONS

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | .. | .. | 35.0 | 33.2 | 35.0 |
| Price (\$/t) | .. | .. | 1 080 | 1 050 | 1 050 |
| Total costs (\$/ha) | .. | .. | 17 300 | 16 720 | 17 300 |
| Gross revenue (\$/ha) | .. | .. | 37 800 | 34 860 | 36 750 |
| Gross margin (\$/ha) | .. | .. | 20 500 | 18 140 | 19 450 |
| Estimated planted area (ha) | 334 | .. | 332 | .. | .. |
| Export volume (t) | 995 | 1 312 | 1 167 | 2 021 | 966 |
| Export value (\$m FOB ²) | 1.99 | 2.48 | 2.39 | 4.58 | 1.82 |

Notes

1 Figures for the year ended 30 June 2009 are an estimate as seasonal activities had not concluded at the time of compiling this report.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Agriculture New Zealand, Fruition Horticulture (BOP) Ltd.

SATSUMA MANDARINS

- › The 2008/09 growing season has favoured the production of fruit sweet enough to meet the requirements of the Japanese market. Fruit size and quality are both good. It is expected that 13 percent of the 2009 crop will be exported.
- › Growers and marketers in the main producing regions of Northland and Gisborne are aiming to manage the rate of harvest during autumn/winter 2009 so that supply to the domestic market is controlled. Exports fulfil a key role in diverting some of the peak seasonal supply, but only if the fruit meets the stringent market requirements for quality.

»» TABLE 11: PRODUCTION, PRICE, GROSS MARGIN AND EXPORT DETAILS FOR SATSUMA MANDARINS

| YEAR ENDED 30 JUNE ¹ | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Yield (t/ha) | .. | 25.0 | 28.0 | 20.8 | 25.0 |
| Price (\$/t) | .. | 1 000 | 1 120 | 1 150 | 1 150 |
| Total costs (\$/ha) | .. | 11 800 | 18 760 | 15 280 | 17 700 |
| Gross revenue (\$/ha) | .. | 25 000 | 31 360 | 23 920 | 28 750 |
| Gross margin (\$/ha) | .. | 13 200 | 12 600 | 8 640 | 11 050 |
| Estimated planted area (ha) | 675 | .. | 691 | .. | .. |
| Export volume (t) | 674 | 415 | 1 185 | 639 | 719 |
| Export value (\$m FOB ²) | 2.43 | 1.58 | 3.55 | 2.05 | 2.77 |

Notes

1 Figures for the year ended 30 June 2009 are an estimate as seasonal activities had not concluded at the time of compiling this report.

2 Free on board.

Symbol

.. Comparable data not available.

Source

Statistics New Zealand, Agriculture New Zealand, Citrus Growers Incorporated, Fruition Horticulture (BOP) Ltd.

INDUSTRY ISSUES AND DEVELOPMENTS

GROWER MORALE AND BUSINESS VIABILITY PLANS

Morale amongst summerfruit and strawberry growers is high as they have been able to capitalise on good yields, high fruit quality and favourable exchange rates in their export markets during the 2008/09 season. However the morale of growers supplying frozen berry fruit products into export markets is low, as excess global stocks and weak market demand impact on income and cash flow.

Growers supplying into a number of markets must manage the complexity of the different specifications and the cost of the certification programmes required for market access. Many smaller growers are opting out of supplying for export, preferring to focus on the domestic market with its less stringent requirements.

Exporters are seeking ways to secure their markets and success depends on their market intelligence, providing timely information about supply volumes from other sources and niche opportunities. Summerfruit and mandarin growers were able to capitalise on the high price opportunities of supplying during the Chinese New Year celebrations and the Japanese golden week festival, respectively. On the other hand, early season prices for avocados were poor in the Australian market when New Zealand exports coincided with supplies of their domestic fruit.

Blueberry and strawberry growers seek continual improvement to meet their market requirements through the introduction of new varieties. Three new American strawberry varieties are being progressed through quarantine offshore. Blueberry growers are commercialising a selection of new New Zealand-bred varieties and arranging to import royalty-free United States varieties.

Blueberry and blackcurrant industry investment in research work involving human clinical trials is continuing, with promising results. Once complete, research results will be used in promotional programmes.

GROWER RESPONSE TO INPUT PRICE CHANGES AND SHORTAGES

Input costs have increased for all growers and efforts are being made to identify savings to improve business viability. Cash flow for blackcurrant and boysenberry growers has stalled as they wait for export sales to be confirmed and winter pruning is being targeted as an area where expenditure can be reduced. This will provide short-term savings for growers but may compromise future productivity. Some boysenberry growers are considering completely mowing off all canes this winter, so that no crop would be carried next season (2009/10).

ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT

Strawberry growers are continuing to trial a range of soil sterilisation treatments to replace methyl bromide. Most growers have switched to using the fumigant Telone® C35 with good results, but there are doubts about its efficacy in less favourable soil conditions. Trials are continuing to determine how its performance can be improved when soil conditions are less than optimal. Methyl iodide has been tested as an alternative to Telone® C35 with promising results, and trial work is continuing. The industry is working collaboratively on sustainable soil treatments with the Australian strawberry industry.

The summerfruit industry has obtained funding from the MAF Sustainable Farming Fund to develop an industry strategy for climate change. Summerfruit growers are also participating in a project to evaluate the carbon footprint of their main export crops, apricots and cherries, using the PAS 2050 methodology developed in the United Kingdom.

SEASONAL LABOUR

For the first time in many years there have been enough workers to provide timely harvest of summerfruit and berry crops. The Recognised Seasonal Employer (RSE) scheme provided workers from the Pacific Islands and there were also good numbers of backpackers working the harvest trail throughout New Zealand. The good quality of summerfruit crops in 2008/09 is being partly attributed to having enough workers available to pick the fruit at the right time.

Many of the berryfruit and summerfruit crops ripen over the Christmas and New Year public holiday periods, involving additional labour and administrative costs. A review of the Holidays Act is underway and the horticulture industry will be making submissions about the costs and impacts of this legislation, in particular how it impacts on piece-rate payments.

FURTHER INFORMATION

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