

KIWIFRUIT

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"...the first time export volumes exceeded 100 million trays."

Kiwifruit exports benefited from favourable exchange rates, increased production and high fruit quality in the 2008 season. Market conditions are, however, fluid and will need careful monitoring.

New Zealand exported 106 million trays of kiwifruit during the year ended 31 March 2009. This was an increase of 9 percent over the previous year and the first time export volumes exceeded 100 million trays.

Overall export prices rose by 15 percent – to \$9.30 per tray – mainly due to favourable exchange rates in the year ended 31 March 2009. Prices for New Zealand kiwifruit in overseas markets improved slightly. The South Korean market is the exception, where prices fell by 19 percent, mainly in response to the weak Korean currency.

»» EXPECTATIONS FOR 2009 AND BEYOND

An early export indicator was the strong prices reached for French and Italian kiwifruit in Germany during the 2008 December quarter. The prices have since retreated by 10 percent in February and March 2009.

Shipments of kiwifruit left New Zealand's shores earlier than ever before, in late March 2009, and entered the international markets in mid-April. However, an extended northern hemisphere selling season put downward pressure on international prices for New Zealand kiwifruit at the start of the southern hemisphere selling season.

The economic downturn in key markets is expected to reduce consumer demand, and consequently overseas in-market prices for New Zealand kiwifruit are expected to weaken in 2009. However, New Zealand dollar export prices are forecast to improve over the short-term, surpassing \$10

»» TABLE 11.1: KIWIFRUIT EXPORT PRICES, VOLUME AND VALUE, 2006–2013

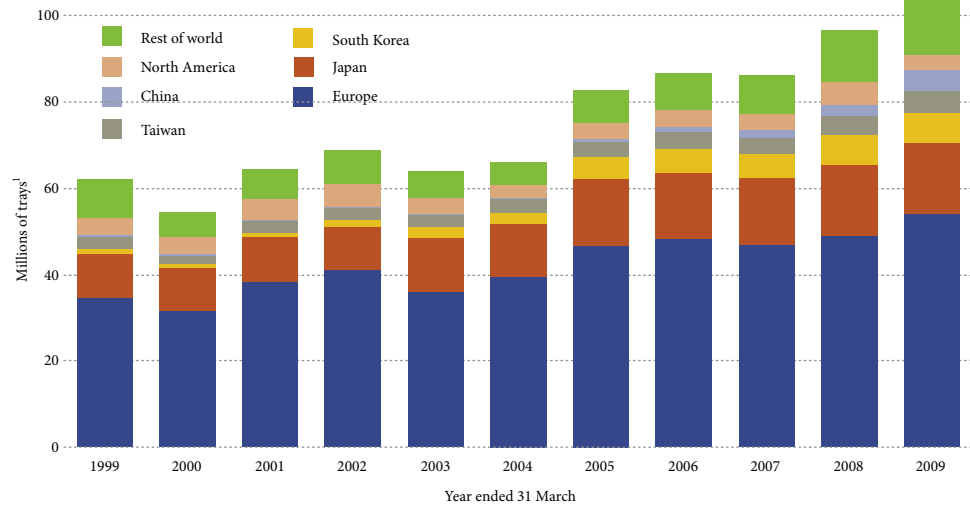
YEAR TO 31 MARCH	ACTUAL				FORECAST			
	2006	2007	2008	2009	2010	2011	2012	2013
Export volume (mil trays)	87	86	97	106	109	114	117	120
FOB ¹ price (\$/tray)	7.6	8.8	8.1	9.3	9.7	10.3	10.4	10.9
Export value (\$ mil)	657	759	779	987	1 061	1 174	1 223	1 313

Note

1. Free on board is the value of the goods delivered to the port of export and loaded onto a vessel for transportation out of the country of origin.

Sources Statistics New Zealand and MAF.

FIGURE 11.1: NEW ZEALAND KIWIFRUIT EXPORT VOLUMES BY TRAY, 1999–2009



Note

1. One tray is equivalent to 3.6 kilograms.

Source Statistics New Zealand and MAF.

“While Japan remains a large and particularly lucrative market for New Zealand, kiwifruit exports to Asia as a region are expanding.”

per tray in the year ending 31 March 2011. This will be driven entirely by favourable exchange rates. In the medium-term, New Zealand dollar prices are expected to increase at a steady rate.

»» EXPORTS

Record export revenues of more than \$1 billion are expected in the year ending 31 March 2010, due to increased export volumes and favourable exchange rates.

Europe continues to be the largest market for New Zealand kiwifruit, with export volumes increasing by 10 percent to 54 million trays in the year ended 31 March 2009. European demand for New Zealand kiwifruit is expected to flatten out during 2009 due to the global economic downturn, rising unemployment and the extended northern hemisphere selling season.

Export volumes into Japan have been relatively static for green kiwifruit as growth in recent years has been driven by gold kiwifruit. While Japan remains a large and particularly lucrative market for New Zealand, kiwifruit exports to Asia as a region are expanding. Exports to China have grown significantly – a 107 percent increase to 4.5 million trays in

NEW VARIETIES

It is now a decade since Hort16A, or what's become known as gold kiwifruit, went into commercial production. It took 14 years to develop the new cultivar with its smooth skin and sweet tropical taste. These features have been crucial to growing the Asian market.

Plant and Food Research in partnership with Zespri run the largest kiwifruit breeding programme in the world. This involves 50 000 seedlings grown in orchards in Te Puke in the Bay of Plenty and Riwaka near Nelson. Four potential cultivars, one green and three gold, have made it through to the final stages of evaluation and are now in pre-commercial block trials on 39 sites (totalling 30 hectares) throughout New Zealand.

Some growers are trialling other local and internationally developed cultivars that are outside the Zespri breeding programme. All going well new varieties of New Zealand kiwifruit will be available for growers in coming years.

the year ended 31 March 2009. Further growth in the Chinese market is expected.

New Zealand exported 7.4 million trays of kiwifruit valued at \$62 million to South Korea in the year ended 31 March 2009. Our share of this market is under pressure following Chile signing a free trade agreement with South Korea in 2004. The implications of this agreement are gradually taking effect – for example, the agreement reduces tariffs on Chilean kiwifruit from 21 percent to zero by 2014. In contrast, South Korea imposes a 45 percent tariff on New Zealand kiwifruit. New Zealand is currently negotiating a free trade agreement with South Korea.

The growth of the organic kiwifruit market has been slow over the last decade. Export volumes are projected to increase at a steady rate from 3 million trays in 2009 to 3.5 million trays in 2011.

»» PRODUCTION

Estimates of total production for the year ending 31 March 2010 suggest that the volume of fruit produced will increase by a further 3 percent during 2009. This is due to an increase in bearing area and productivity. Fruit size, quality and dry matter for the 2010 year are within the optimal ranges for the markets supplied.





Between 2006 and 2008, licences for 600 hectares of gold kiwifruit were sold, increasing the productive area from 2088 hectares to 2615 hectares. The new licences will provide approximately 6 million more trays when full production is reached in 2014. This addition will grow the total export volume of gold kiwifruit to 28.5 million trays.

Of the 13 250 hectares of kiwifruit orchards in New Zealand, 77 percent are located within the Bay of Plenty region.