Producer country file

The apple in New Zealand

by Cécilia Céleyrette

New Zealand is a major player in the apple, with production well-managed since the crop was established by European settlers in the early 19th Century. It should actually strengthen its position in the coming years through stock modernisation. Since while this country is still not in the top 30 producers, far behind the leaders such as China or even the European countries, it is already the number 7 exporter country, just behind France. The expansion of the origin in Asia points to further progress, both through the expected growth in volumes to customers that are already customers, and through expanding the customer portfolio.

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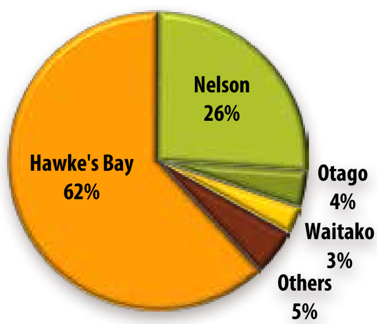
Location

Apples have been cultivated in New Zealand since the first European settlement, with the oldest plantations going back to 1819. Although distributed nationwide, apple production is primarily (90 %) located in Hawke's Bay (62 %) and Nelson (26 %), with the orchards in the Central Otago (4 %) and Waikato (3 %) regions topping up the supply. Most of the orchards are concentrated between Napier and Hasting in Hawke's Bay. Production is very well managed, with growers mainly applying integrated production. It is particularly exposed to spring frosts, which have caused a lot of damage in the past. Producers have since then geared up to mitigate their impact, either employing water sprays (in Central Otago), or wind farms (Hawke's Bay). Production is protected from hail by nets, and some producers even have hail cannons. Most orchards are irrigated. There is some organic production, mainly based in the Hawke's Bay zone, where the climate is dryer.

Apple - New Zealand
Geographical breakdown
(Source: Te Ara)



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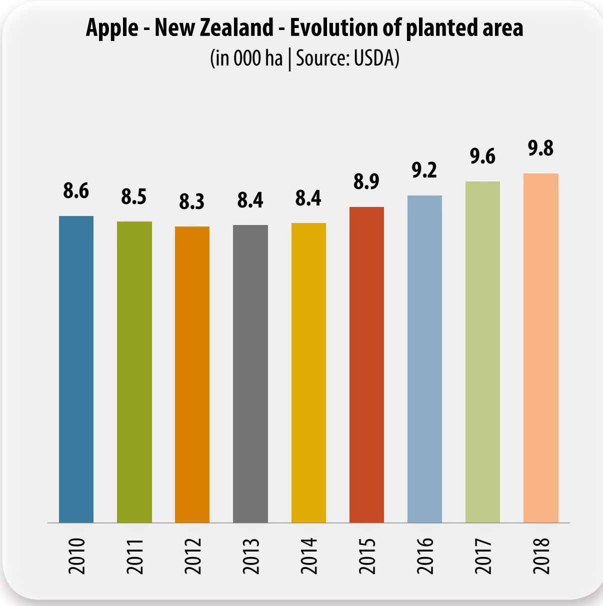
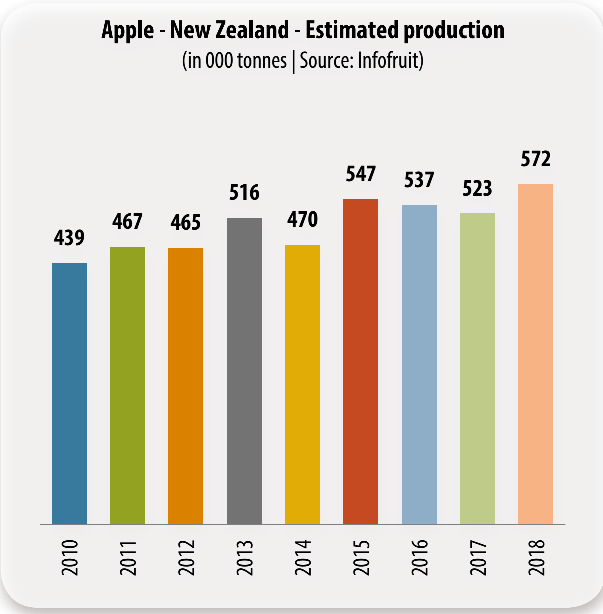
Production

Although surface areas are smaller than in other countries, expansion is proving consistent, with an extra 300 to 400 ha planted every year (+ 3 to 4 %), on top of which we should add modern grafted varieties over approximately 10 % of surface areas. Production came at a standstill during the economic crisis, but it is growing again, and should reach 10 200 ha this year, with prospects for 11 000 ha by 2022. The potential for 2019 is already nearly 600 000 tonnes.





Harvest calendar and varieties

The New Zealand stock has long been dominated by two varieties, Gala and Braeburn, icons of this country's production. Research, a highly dynamic sector in New Zealand, enabled the range to develop and adapt the stock to the demands of emerging countries, and thereby overcome the 2008 economic crisis. Hence although Gala still dominates the range (29 % of tonnages), surface areas for this variety are stagnating. Planting of highly coloured clones of this variety in recent years is helping the origin to stand out. Conversely, surface areas for Braeburn have seen a big fall (15 %). This apple has been replaced by new varieties drawn in particular from the Pacific range (10 %), with clones such as Pacific Queen and Envy, which are the most commonly planted cultivars. Similarly, other varieties such as Aztec, Fuji Supreme, Kiku and Candy are gradually replacing the traditional Fuji. New cultivars such as Smitten, Plumac (Koru brand), Sweetango, Ambrosia and Kanzi are also being planted. We should highlight the progress made by the Jazz variety in recent years, which currently represents 10 % of New Zealand's stock. Similarly, Cripps has seen a significant rise in recent campaigns (7 %). Conversely, Granny has a dwindling share, now representing just 3 % of export tonnages.

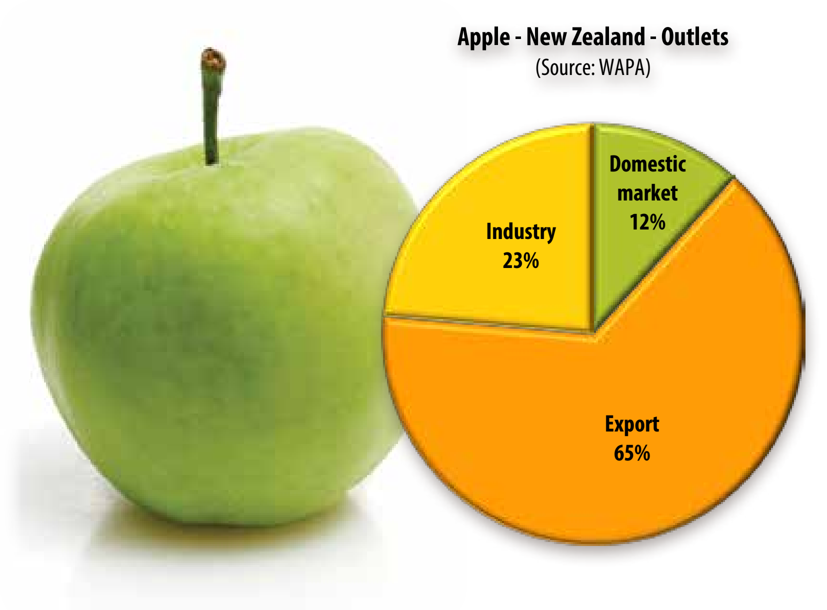
Apple – New Zealand – Volume by variety

in 000 tonnes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Market shares
Royal Gala	151	163	144	161	141	168	165	152	165	173	29 %
Braeburn	121	132	120	128	111	113	100	91	99	89	15 %
Pacific series	25	36	39	44	45	51	54	55	59	60	10 %
Jazz	45	55	52	52	52	48	53	48	55	58	10 %
Fuji	45	60	48	60	43	57	55	43	55	53	9 %
Cripps	17	20	24	27	26	34	34	29	41	44	7 %
Granny						21	18	18	17	16	3 %
Others	44	47	49	78	60	61	60	69	85	99	17 %
Total	**448**	**513**	**476**	**550**	**478**	**553**	**539**	**505**	**576**	**592**	**100 %**

Source: WAPA

Outlets

The export production share is more than 60 %. Current planting is aimed above all at supporting the development of shipments to Asian countries. The domestic market consumes 12 % of volumes produced, with the rest taken in by the industrial sector.



Apple
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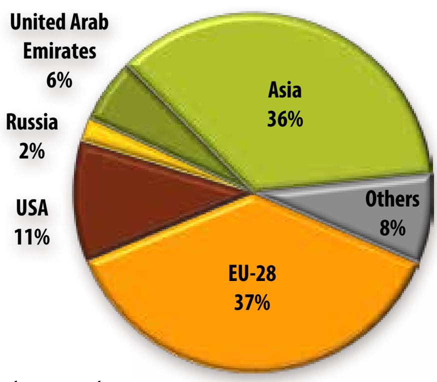
Exports

New Zealand is a historic apple supplier, with its first shipments dating from 1888. New Zealand exports represent 5 % of the world apple trade. New Zealand's stock renewal has enabled the country's exporters to regain their heights. Hence after the tough years of the economic crisis and a minimum level of 260 000 t, export tonnages in 2019 could set a record, approaching the 400 000-tonnes mark. Europe remains one of the main outlets, still taking in 37 % of export volumes, though tonnages every year depend strictly on the openings left by local apple production. So, after the economic crisis, exporters had to diversify their customer portfolio to emerging countries. They made spectacular progress, with tonnages doubling in less than a decade. Export volumes to Asian countries are now similar to those bound for Europe (at least 36 %), with growth proving consistent. Taiwan, China and Vietnam each import more than 20 000 t, while shipments to India leapt up in 2018 (more than 25 000 t). Exports are also growing, albeit more gradually, to the Middle East, with more than 20 000 t shipped to the UAE in 2018. Furthermore, the origin is maintaining decent shipments bound for North America (48 000 t) and Russia (8 000 t). New Zealand's exporters are hoping to further expand their customer portfolio with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which entered into force in early 2019, and which could open up the way to markets such as Japan.



Logistics

The Port of Napier, which lies in the main production zone, is the number two port in terms of export tonnages, located in the north of North Island. It is connected to the rail network via the Napier port branch (Ahuriri). Major investment has been made in recent years to help support the projected growth in volumes, and above all accommodate bigger ships.

The Nelson/Tasman region is New Zealand's number two export region (28 %) for pip fruits, mainly apples. All Nelson's apple exports are now made in refrigerated or controlled-temperature containers, bound for most world markets, especially in Europe, Asia and North America. The Port of Nelson is also investing to cope with continuous growth in products exported from this region (tugs, warehouses, terminal improvement work).

Apple – New Zealand – Sea freight

Market	Main lines		Transit time
	Port of departure	Port of arrival	
EU	Napier, Nelson, Wellington, Tauranga	Antwerp, Rotterdam	3 weeks