

New Zealand Stone Fruit Industry



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A fruit grower, slightly tiddly of course, would need to be perpetually in this condition to be a stone fruit grower in New Zealand. A stone fruit grower is a shy, sensitive and extremely secretive chap. Paranoia is common and natural enemies abound. He regards cities as dangerous places and supermarkets as avaricious predators. He is overweight, no time or passion to exercise, and he eats all the wrong food...on the run. He is lonely and poor, ridden with debt and feeling very sorry for himself. I know an awful lot about this breed of chap as I have been one myself for 28 years (and am still one). My father is one, my brother is one, two brothers-in-law and many of my closest friends are also stone fruit growers.

I manage a company that handles 90% of the country's process stone fruit and is the second largest marketer of fresh dessert peaches, nectarines, apricots and plums in New Zealand. We also manage one of the country's largest stone fruit tree nurseries. As you can clearly observe, I fit the model as previously outlined and seriously need counseling.

To add to this demented condition, last season we managed the harvest of Australia's largest stone fruit growing company which was indeed a challenge. In Australia, if the flies don't get you, the bats will, and then of course you have to take a daily bashing from the Aussies who have in recent years won every commonwealth sporting event worth winning. It can be a lonely place for a Kiwi, already encumbered by one's profession.

THE STONE FRUIT GROWER

This sorrowful specimen lives mostly in two major growing regions in New

Zealand, Hawke's Bay on the east coast of the North Island and Otago in the south-central region of the South Island. He is now almost extinct in all other areas of the country, wiped out by climatic conditions and predators. He has been observed in parts of Nelson, Marlborough and Auckland, but the sightings are becoming less frequent.

The major regions are in fact very complimentary from a marketing viewpoint, as in seasons they are about three weeks apart with Otago in the south being the later district. Fantasia nectarines are harvested in February. Central Otago growers are very focused on export. Even Auckland is, in fact, an overseas market to them, divided by land and water. Aucklanders are certainly regarded as a foreign and alien breed of people.

Hawke's Bay most definitely has a processing and local market culture.

National Production

The industry in New Zealand is extremely small and concentrated in a very small group of people (Table 1). In Hawke's Bay, five or six families dominate the industry and it is not much different in Central Otago (a few more focused players). We all know each other. It is a village.

For your information and reference, I have estimated (guessed) how this total figure is divided up between the major districts (Table 2). These figures are not kept by district and this is only a best guess.

THE TWO MAJOR REGIONS—HAWKE'S BAY AND CENTRAL OTAGO

At stone fruit conferences we usually sit opposite each other, scowling and snarling.

Central Otago growers are especially famous for their apricots and cherries which they ship all around the world.

These are wonderful occasions which I would never miss where debates go well into the early hours and are always heavily lubricated with generous doses of excellent Scottish whiskey. We part weeping as long-lost friends, sharing common imaginary foes, agreeing to exchange Christmas cards. This comradeship lasts about one week before we revert to our traditional position of tack spitting. We are, in fact, happier abusing each other and would have it no other way, with that one annual exception.

Central Otago

Central Otago is a rugged, unique part of New Zealand with a climate well suited to growing stone fruit. It is settled by families of Scottish, Irish and Dutch descent. They are a very tough, independent, hardy and sometimes stubborn breed. If you are not of this persuasion, you will not survive in Central Otago.

Marlborough and Hawke's Bay are full with Otago refugees seeking an easier life. In

Central Otago, the word “levy” is a swear word and PBR (Production Based Royalty) stands for “perverse bloody rip-off.” These are people you do not cross lightly and who will stand firmly for a principle and bear a grudge through generations, as many a flippant “Gucci” exporter has discovered.

Central Otago has specialized in stone fruit growing, and pipfruit is only a small part of the industry. There are many outstanding stone fruit growers in Central Otago who have developed a very successful industry, based around servicing customers overseas. Central Otago growers are especially famous for their apricots and cherries which they ship all around the world.

Their unique dry and sunny climate also means that in their time slot they are the only stone fruit in the market, and this has been a tremendous competitive opportunity upon which they have absolutely capitalized.

Hawke’s Bay

This is where I was born, my parents refugees from North Otago. Hawke’s Bay growers are a similar breed, softened by the good life of vineyard visits and an easy grower-friendly environment. I am descended from the same hard immigrant stock, but it is not the same any more.

Most of these Hawke’s Bay growers also grow pipfruit (apples and pears) and in many instances this would be their main crop by volume. As you are aware, all New Zealand pipfruit exports are controlled by a Producer Board whose bureaucracy is the

antithesis to all self-respecting blue-blooded stone fruit growers who guard their independence as a sacred right. This compromising of his values has weakened his natural resistance to his most persuasive enemy—debt. However, they will in the main prevail, I am sure.

Research

The summer fruit group (Summerfruit Inc.) collects a levy on all stone fruit sold. This levy is compulsory and is used for industry management and research. The Research Committee controls and manages the investment program, which is outsourced to research providers such as Hort+Research Ltd. (Hort would obtain the major share of research investments funds). The industry funds are used to leverage funds from the national research allocation which comes from New Zealand taxpayers. Most New Zealand stone fruit growers begrudgingly support the R&D program. Seventy-five percent support from growers is required to maintain the compulsory levy, and this is tested.

Varieties and Rootstocks

Almost all the peaches, nectarines, apricots and plums are on Golden Queen rootstock. The exceptions are very small amounts: plums on plum rootstock and apricots on plum rootstock.

Cherries are on a variety of stocks which include Mazzard, Mahalid and Colt.

There is a recent move to use dwarfing stocks for the obvious reason. This indus-

try thrives on new varieties—new fashion varieties and fast track growing systems.

In the late 1960s the new yellow-fleshed nectarine varieties were introduced into New Zealand with tremendous success. Since then it has been a continuous race for improvement and perfection. In recent years we have moved to low acid, high brix white flesh varieties mostly bred in the United States, although we are starting to see some of the EU programs.

This has also introduced us to Variety Royalties and, dare I say it, Production Based Royalties (PBRs). This has certainly been the most controversial issue to face this industry over the last decade, and it has only just started. My personal view is that it is a good step forward and will create real partnership between growers, marketers and variety breeders.

The future certainly presents us with enormous challenges and the landscape will be very different in 10 years’ time. We need to continue to be at the forefront of new growing technology, new exciting varieties and innovative marketing concepts. We need to grow our local markets in both fresh and process crops and develop new markets overseas. We need to value our independence and respect the preciousness of that, but we also need to work closer together to ensure we remain a competitive prosperous industry.

One thing for certain, the New Zealand stone fruit industry will be surely challenged in the next 5 years, but it will still be here and so will its best growers.

TABLE 1

Consolidated stone fruit production in New Zealand, 1999 harvest season.

	Metric tonnes
Peaches	
Export fresh	134
Process	6283
Local market fresh	3200
Apricots	
Export fresh	1407
Process	600
Local market fresh	800
Nectarines	
Export fresh	726
Process	100
Local market fresh	4100
Cherries	
Export	469
Plums	
Export fresh	28
Local market fresh	300

TABLE 2

Regional stone fruit production estimates by region (percentages).

	Hawke’s Bay	Otago
Peaches		
Export fresh	15	75
Process	100	—
Local market fresh	75	15
Apricots		
Export fresh	5	85
Process	—	100
Local market fresh	35	55
Nectarines		
Export fresh	5	85
Process	100	—
Local market fresh	65	25
Cherries		
Export	2	70
Plums		
Export fresh	—	—
Process	90	—
Local market fresh	30	20