



Foreign Agricultural Service

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## New Zealand

### Organic Products

### Apple and Pear Organic Industry

## 2000

Approved by:

**David Young**

**U.S. Embassy**

Prepared by:

Rachel Monk

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**Report Highlights:** In the 1999/00 season New Zealand produced 540 MT of certified organic apples, from 1,320 hectares of organic crop. The average price received for the organic apples was US\$16 per TCE, or 18kg. The certified organic pear crop in the same season totalled 36 MT from 500 hectares of organic crop. Average prices received for organic pears in the 1999/00 season was US\$26 per carton or 18kg.

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Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Wellington [NZ1], NZ

**Overview**

New Zealand has only recently entered the world market for organics. The value of total organic production in New Zealand in 1990 was estimated to be NZ\$1.1 million (US\$470,000). The 1999/2000 export figures show that certified exports reached over NZ\$60 million (US\$26 million). Of this figure, fresh fruit exports make up a substantial 80 percent, or NZ\$47.8 million (US\$21 million) of the total. Recent research findings released indicate that New Zealand's domestic organic market was valued at NZ\$32 million (US\$14 million), suggesting that total organic production in New Zealand is now likely to be over NZ\$100 million (US\$43 million).

Organic production of apples and pears in New Zealand is becoming a popular enterprise, particularly with apples as international prices for the conventional crop have been suffering from an oversupply in fruit for the last two seasons. Pear production in New Zealand is quite small, and conventional crops have been receiving good returns, so the niche for organic production has not flourished as it has in the apple industry.

**Apples**

New Zealand currently has 13,591 hectares of apple crops, 1320 hectares of which is certified organic crop (10 percent). In the 1999/00 season, New Zealand produced 20 million TCE's (1 TCE = 18kg) or 356,000 MT of apples for export, of these 30,000 TCE's or 540 MT were certified organic apples. This equates to approximately 0.2 percent of export production. In the 1999/00 season there was an overwhelming surge of growers who chose to adopt organic production. This has resulted in volumes of transitional organic apples rising to 10,800 MT, the majority of which will be first year transition fruit. The conversion period for apples to be fully certified organic fruit is three years.

There are no official statistics in New Zealand on apples that are sold on the domestic market, conventional or organic. However, export packout of organic apples is 70 percent, the 30 percent that does not make the grade as export fruit is therefore sold on the domestic market. Thus it can be estimated that in the 1999/00 season that total certified organic production in New Zealand would have been approximately 771 MT, of which 231 MT was sold on the domestic market.

The average price for organic apples exported in the 1999/00 season was approximately NZ\$38 per TCE (US\$16 per 18kg). This price is FAS (free alongside ship), thus growers have to meet all packaging and transport costs. As the organic niche market continues to grow and more fruit becomes classified as certified organic, transitional apples are largely being sold as conventional, and at conventional prices. However, some customers are willing to pay more for transitional fruit as certified organic is harder to come by.

The major destinations for organic apples exported from New Zealand are Asia, North America, Europe and the UK.

**Pears**

New Zealand currently grows 3,398 hectares of pears, of this area 14 percent or 500 hectares is certified organic pears. The country's commercial pear production in 1999/00 was 1.4 million cartons (1 carton = 18kg) or 26,034 MT. The 1999/00 season was a record production for New Zealand

pears, experiencing a 49 percent increase from the previous season. Of the 26,034 MT of commercial production, only 11,400 MT or 44 percent is exported. The remainder is sold on the domestic market. Of this export production, 2000 cartons or 36 MT was certified organic pears. This represents only 0.3 percent of export total. Unlike the conventional pears, all organic fruit that makes the export grade is exported. Organic pears have a packout of 60 percent, which means that total organic pear production in New Zealand in the 1999/00 season was approximately 60 MT, with 24 MT being sold on the domestic market. Data on the volume of pears under conversion to organics in New Zealand is unavailable, but due to the good returns conventional pear growers are receiving, there has not been the same surge of interest in the organic pear niche as there has been for the apple market. Thus the percentage of transition fruit to certified organic fruit with pears will be a lot less than with apples.

The average price New Zealand growers are receiving for organic pears is NZ\$61 per carton (US\$26 per 18 kg). Destinations for organic pears exported from New Zealand are Europe, North America and the UK.

### ***Organic Pipfruit Support***

Like the rest of New Zealand agricultural and horticultural sectors, the organic sector receives no or minimal support from the government through any means. The New Zealand pipfruit sector is controlled by ENZA, a company with statutory powers, but to date, ENZA has provided little support for any development of organic pipfruit. This does not, however, imply a complete absence of organic-related research and development within the pipfruit industry. The Crown Research Institute, HortResearch, has conducted experiments, research and field trials with organic pipfruit since the late 1980s.

In 1995, New Zealand's organic producers and processors formed the Organic Products Exporters Group (OPEG), to develop international market opportunities for organic produce and to improve the industry infrastructure. OPEG is a network of businesses, research institutions, consultancies and certifying agencies. Members range from New Zealand's largest food companies, such as Heinz Wattie's Australasia, ENZAFRUIT and ZESPRI International, to others that are small, family concerns. Together, OPEG members market a wide variety of products including lamb, beef, poultry fresh fruit and vegetables, frozen and canned vegetables, honey, dairy products, eggs, grain, baby food, wine, juice, vinegar, flaxseed oil, herbal teas and wool.