



Foreign Agricultural Service

GAIN Report

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New Zealand

Fresh Deciduous Fruit

Industry Controversy

2001

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Report Highlights: ENZA has lost a court hearing against the Government and the Apple and Pear Independent Permits Committee to stop all independent exports of apples and pears from New Zealand. However, although ENZA lost this battle, there is now a major call from New Zealand growers and industry participants for further restructuring of the apple and pear export regulations, and many are aiming for deregulation of the industry.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Wellington [NZ1], NZ

In early December, ENZA Ltd, New Zealand's apple and pear board, won an temporary order stopping the issuing of permits to independent apple and pear exporters until December 18. The Independent Apple and Pear Export Permits Committee had granted approval for the exporting of 2.5 million trays of apples. ENZA went to the High Court, saying that it's own plans to export 15.5 million trays would fail if the 2.5 million trays or more, of the 17 million trays expected to be harvested fall into independent hands (see NZ0070 for further details).

This decision caused a lot of discontent with growers, as independent exports were the only way many growers could sell their fruit internationally now that ENZA has agreed to only market a percentage of the crop. The New Zealand Government was also unhappy about the decision as they believed ENZA was frustrating the legal process under which the committee was obliged to function under a new, semi-deregulated export regime as stated in the 1999 Apple and Pear Export Regulations.

On December 18, when the case was taken back to court for a full hearing, the Government entered the case on the Independent Permits Committee side. ENZA lost the case, and the injunction was lifted, allowing the processing of independent permits to be continued. ENZA did not appeal the decision and has made no public comment. However, the injunction has caused major concern among growers in the industry as the power that ENZA has over the success or failure of their businesses became very apparent. In late December, Pipfruit Growers New Zealand Incorporated, the grower representative organisation, polled its members on whether they support the organisation's recommendations including:

- present industry regulations are removed on September 30, 2001;
- new regulations are introduced then which ensure a choice of exporters, competition for supply on an equal basis, a grower-exporter group being able to fine-tune exporter strategies without constant reference back to government.

The result of this poll will be taken to the Government which has stated it will only support deregulation if it is favoured by New Zealand growers. This is the only time that Pipfruit Growers New Zealand Incorporated, as the grower representative, has supported industry deregulation.

Meanwhile the Government is in the process of reviewing the regulatory framework of the apple and pear exporting industry and growers and industry participants are being urged to make submissions on their views about the industry's future direction.