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**New Zealand**

**KIWIFRUIT REPORT**

**N.Z. Kiwifruit Fetch Premium Prices**

**1999**

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**Report Highlights:**   **First Quarter Exports Fetch Premium Prices**  
                                  **Zespri Gold Launch in 1999**  
                                  **KNZ Rejects Genetic Modification**  
                                  **California Anti-Dumping Order Lifted**  
                                  **Kiwifruit Venture Capital Company to be Floated**

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

### First Quarter Exports Fetch Premium Prices

Premium prices are the highlight of New Zealand's first quarter (April - June 1999) exports of the 1999 kiwifruit crop, while volumes are near that of the 1998 June quarter. Average prices at N.Z.\$2,418/MT are up 23.7 percent compared to N.Z.\$1,954/MT for the 1998 June quarter. Prices in Japan at N.Z.\$3,489/MT are 24.0 percent higher reflecting early-season shipments, low levels of Chilean fruit and roadshow promotional activities. June quarter exports to the United States have more than doubled at 8,588 MT, up 4,819 MT on June 1998 quarter exports. Zespri International reports that overall, international kiwifruit markets are strong due to the limited presence of Chilean fruit so far this season.

New Zealand Kiwifruit Exports				
Destination:	Metric Tons		N.Z.\$/Metric Ton	
	June Qtr 1998	June Qtr 1999	June Qtr 1998	June Qtr 1999
Other EU	50,204	40,529	1,762	2,215
Japan	19,236	16,850	2,812	3,489
Australia	3,818	1,884	999	2,164
United States	3,769	8,588	1,264	1,909
Taiwan	2,728	2,244	2,524	2,927
Spain	3,525	6,929	1,929	2,044
Italy	3,872	5,194	1,915	2,066
United Kingdom	3,146	5,434	2,264	2,479
Germany	7	2,830	2,833	2,616
Belgium	489	330	1,738	1,401
Korea	1,680	1,448	1,650	1,861
China	611	585	2,230	2,713
Canada	2,127	0	771	na
Hong Kong	686	610	2,288	1,157
Saudi Arabia	534	509	2,195	2,103
Mexico	419	171	1,401	1,445
Other	1,437	1,907	1,890	2,123
Total	98,287	96,041	1,954	2,418
Source: Statistics New Zealand.				
Note: 1999 June Quarter Exchange rate: NZ\$:US 0.5427				

**Zespri Gold Launch in 1999**

Zespri International will officially launch the golden-fleshed, smooth skinned Zespri Gold variety this season after trialing small quantities in Japan, Britain and New Zealand last year. Zespri Gold exports will be extended to the United States, Taiwan in 1999, while small volumes will still be available in Australia and New Zealand. As 1999 is being used as a "test marketing" year for Zespri Gold, sales will be limited to 500,000 trays. This compares to the 63 million trays of the traditional green, Hayward variety exported in 1998. Substantial increases in Zespri Gold shipments are expected in 2000 and 2001 as production increases. The new golden fruit is expected to be marketed for a limited time - probably eight to 10 weeks. This year extensive consumer research will be carried out as well as fine-tuning merchandising, packaging, pricing policies and distribution chains. KNZ reports that although 1999 is the first time Kiwi Gold has been available in Taiwan, already two major retailers, Wellcome and Makro, have placed repeat orders for July after just two days of Zespri Gold sales. In Japan, Zespri International has used a combination of road show activities featuring the branded VW Beetles and in-store tasting demonstrations.

**KNZ Rejects Genetic Modification**

Kiwifruit New Zealand has rejected any involvement of genetic engineering in its research and development policy. KNZ reports that no New Zealand commercial kiwifruit, either under evaluation or in commercial production has ever been genetically modified and has decided not to fund research or market genetically modified kiwifruit.

**California Anti-Dumping Order Lifted**

The California Kiwifruit Commission (CKC) and Kiwifruit New Zealand (KNZ) have reached an agreement which will bring about the lifting of the eight year anti-dumping order against Kiwifruit New Zealand. KNZ and the CKC will now work together on a joint promotional program to raise consumer awareness of kiwifruit in the United States. KNZ and CKC have agreed to pool funds and mount a generic promotional effort. Total funding for the joint promotion program had not been fully established but it is known that KNZ will contribute US\$150,000 over three years. The U.S. Department of Commerce originally imposed an anti-dumping duty of 98.6 percent on all New Zealand kiwifruit exported to the United States after the California kiwifruit industry won an anti-dumping decision in 1992. The imposition of the anti-dumping order saw New Zealand kiwifruit exports fall from around 7 million trays in 1990 to 300,000 trays in 1997.

**Kiwifruit Venture Capital Company to be Floated**

New Zealand kiwifruit growers will be given first priority to invest in a new venture capital company which will finance Zespri International's procurement and marketing of offshore-grown produce. The company will be known as Kiwifruit International Limited. The move to create a separate venture capital company to fund non-core business allows New Zealand kiwifruit growers to choose whether they invest in the procurement and marketing of other non-New Zealand horticultural products by Zespri International. Kiwifruit International Limited would also provide funding for Zespri International to move into 12 month marketing of kiwifruit, sourcing kiwifruit from other countries (including Zespri Gold). Although the share issue is not yet finalized, five million NZ\$1 shares are expected to be offered over a four-week period. First priority will be given to NZ growers based on the number of export trays submitted in the 1998 season. Although shares would not be listed on the New Zealand Stock Exchange they will be tradeable. The creation of Kiwifruit International Limited is part of the KNZ's move to corporatization. See NZ9049 for KNZ Reform/Corporatization report.