

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 5/28/2013

**GAIN Report Number:** NZ1308

## **New Zealand**

### **Fresh Deciduous Fruit Semi-annual**

#### **New Zealand Apple and Pear Sector Report May 2013**

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**Report Highlights:**

A biennial bearing “on” year has boosted Apple production to 519,000 MT, an 8% jump year on year. As a result apple exports are forecast to jump up 10% year on year to 306,000 MT. Industry participants say the export markets look promising this year and apple growers are cautiously optimistic that per carton returns will be higher than 2012’s average of NZ\$22.71 per carton Free-Alongside-Ship return.

## Executive Summary

The total planted area of apples and pears seems to have found a reasonably stable level at around 8,800 hectares (ha). The apple area comprises 95% of the total planted area. Indications are that in the medium term the planted area is likely to either remain stable or start to trend upward.

Total apple production has been revised to 519,000 Metric Tons (MT) for MY2012 following Pipfruit New Zealand Incorporated's (PNZI) updated crop forecast in February 2013. This is an 8% revision on initial forecasts and is the result of a biennial bearing "on" year and generally good orcharding conditions over most of the growing season. In general, now that the harvest is nearly over, the quality out-turn is being described as good especially the early harvest varieties such as Royal Gala although fruit size is on the low side. Pear production for MY2012 is now estimated at 13,050 MT which is a downward revision of 8%.

Grower returns in MY2011 were approximately 10% better than had been forecast, at an average of NZ\$22.71/Tray Carton Equivalent (TCE). The industry is quietly confident that MY2011 apple returns could be exceeded in MY2012 given that the European markets are short of apples and generally the Asian markets continue to be promising.

Domestic consumption has been revised upward to 67,500 MT, which at just under a 10% upward change, is put down to higher per capita consumption because of plentiful, relatively cheap apples in the supermarkets and perhaps some extra volume going directly to stock food.

The volume going to processing has also been revised upward, by 15%. At 146,250 MT, this volume is basically in line with the increased production tonnages.

Apple exports are now forecast to be 306,000 MT which is a 4.5% upward revision and 10% up on a year on year basis, because of the increases in apple production. The overall trend of the last decade is clear: a major swing to trade with Asia and the Middle East. The process of change has not stopped and is set to continue into the future until the volumes going to Europe reach a level where returns will compete with those from Asian destinations.

Market access, SPS issues, and high tariff barriers still conspire to slow down the rate at which the sector can take advantage of the undoubted opportunities for profitable trade in the wider Asia area. PNZI has publically stated it is putting about 75% of its effort and funding ultimately into market access.

*Note: The Marketing Year 2012 is from Jan1, 2013 to Dec31, 2013 and will be referred to as either 2012/2013 or MY2012 in the text. Similarly MY 2010 is shown as 2010/2011. CY2012 refers to the calendar year which for New Zealand is the same as the Marketing year*

*Note2: A TCE stands for Tray Carton Equivalent and is 18.0 kilograms of fruit*

## Planted Area

Going into the 2013 harvest (MY2012) the national planted area has lifted marginally on initial estimates. The apple area is put at 8,372ha and the pear area at 448ha following Pipfruit New Zealand Incorporated's (PNZI), the representative body which is industry funded, latest grower survey.

Table of Deciduous Fruit Plantings in New Zealand by Variety ( in Hectares)									
Market Year for FAS	MY2004	MY2005	MY2006	MY2007	MY2008	MY2009	MY2010	MY2011	MY2012
Calendar Yr of Harvest	2005	2006	2007	2008	2009	2010	2011	2012	2013
Braeburn	3,159	2,464	2,484	2246	2034	1,869	1740	1589	1504
Royal Gala & sports	3,393	2,872	2,893	2669	2538	2,417	2423	2369	2386
Cox	401	354	314	295	281	248	236	203	178
Fuji	1,018	875	836	829	899	931	970	934	906
Granny Smith	374	322	294	286	282	267	256	256	246
Cripps Pink/Pink Lady	349	287	248	285	353	397	434	446	459
Jazz	289	440	576	768	917	977	983	943	905
Pacific Beauty	351	250	177	162	149	135	127	120	113
Pacific Queen	351	306	223	212	220	263	291	351	456
Pacific Rose	819	642	529	454	424	416	399	396	390
Other Varieties/Unidentified	257	184	192	333	388	712	611	717	829
<b>Total Apple Area</b>	<b>10,761</b>	<b>8,996</b>	<b>8,766</b>	<b>8,539</b>	<b>8,485</b>	<b>8,632</b>	<b>8,470</b>	<b>8,324</b>	<b>8,372</b>
<b>Total Pear Area</b>	<b>936</b>	<b>722</b>	<b>735</b>	<b>412</b>	<b>412</b>	<b>431</b>	<b>473</b>	<b>441</b>	<b>448</b>
<b>Total</b>	<b>11,697</b>	<b>9,718</b>	<b>9,501</b>	<b>8,951</b>	<b>8,897</b>	<b>9,063</b>	<b>8,943</b>	<b>8,765</b>	<b>8,820</b>
Braeburn as % of Apple Area	29.4%	27.4%	28.3%	26.3%	24.0%	21.7%	20.5%	19.1%	18.0%
Royal Gala as a % of Apple Area	31.5%	31.9%	33.0%	31.3%	29.9%	28.0%	28.6%	28.5%	28.5%

Source: PNZI

The steady decline in Braeburn area is still evident. This has been accompanied by a trend into cultivars which are more appealing to Asian palates.

What is interesting is that Jazz, initially heralded as a potential savior for the sector, has suffered from poor returns and can be seen as basically an updated Braeburn: a tart tasting apple that is difficult to sell in Asia. However there was a rush to replace Braeburn in the mid 2000's with Jazz and now it comprises 11% of the planted area. Combined with Braeburn a total of 29-30% of the planted area is still in European focused cultivars, not very different from the mid 2000's. The initial cost to replant with Jazz and the subsequent decline in returns has depleted many smaller growers' financial reserves which now has the effect of slowing down the capacity of the sector to respond quickly to the opportunities for supply in Asia and the Middle East. The larger integrated growing, packing, and shipping companies are not really interested in Jazz because, being a club variety, they must relinquish the post-harvest control of the fruit to ENZA who holds the worldwide rights. ENZA is the largest New Zealand integrated apple company.

Some Jazz blocks have already been removed and the trend away from tart tasting European focused varieties is likely to continue and perhaps even gather pace over coming years. Growers have diversified into Royal Gala sports (such as Galaxy); more Pacific Queen; and new cultivars such as Envy, Ambrosia, Rockit, HoneyCrisp, Smitten, SweetTango, Kanzi, and Koru.

The standard Fuji variety, which has in the past comprised over 11% of the planted area, has been surpassed by better color sports putting New Zealand's offering at a disadvantage in the market place. The difficulty to achieve consistently high color, and then consequent lower returns, is likely to mean a continuing reduction in standard Fuji plantings which will be replaced with either higher color Fuji sports or one of the other cultivars listed above.

The organic apple area is now put at 571ha with only 7 ha under conversion. This is an 8% reduction from 2012 and 34% down from the peak in 2011.

## Production

### Apple Production

Apples, Fresh New Zealand  (HA)/(MT)	2010 2010/2011			2011 2011/2012			2012 2012/2013		
	Market Year Begin: Jan 2011			Market Year Begin: Jan 2012			Market Year Begin: Jan 2013		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	8,500	8,470	8,470	8,300	8,324	8,324	8,300	8,320	8,372
Area Harvested	8,850	8,316	8,316	8,200	8,200	8,200	8,300	8,225	8,275
Bearing Trees	0	0	0	0			0		
Non-Bearing Trees	0	0	0	0			0		
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	464,700	467,060	468,468	447,600	447,600	465,000	467,000	467,000	503,000
Non-Comm. Production	15,000	15,000	15,000	12,500	12,500	15,000	14,000	14,000	16,000
Production	479,700	482,060	483,468	460,100	460,100	480,000	481,000	481,000	519,000
Imports	1,000	1,257	984	1,000	740	1,129	500	750	750
Total Supply	480,700	483,317	484,452	461,100	460,840	481,129	481,500	481,750	519,750
Fresh Dom. Consumption	56,200	60,000	60,000	57,860	61,400	63,000	49,200	61,500	67,500
Exports	299,500	298,317	299,452	286,800	283,000	284,451	305,000	293,000	306,000
For Processing	125,000	125,000	125,000	116,440	116,440	133,678	127,300	127,250	146,250
Withdrawal From Market	0	0	0	0			0		0
Total Distribution	480,700	483,317	484,452	461,100	460,840	481,129	481,500	481,750	519,750
TS=TD		0	0		0	0		0	0

Note: Data included in this report is not official USDA data. Official data can be found at <http://www.fas.usda.gov/psd>

### **MY 2012 (2013 harvest)**

Total apple production is now put at 519,000 Metric Tons (MT) following PNZI's updated crop forecast, an 8% increase on initial forecasts. The main reason behind the boost in production comes from nearly all the orchard trees having synchronized their biennial bearing tendencies into the same year following widespread frosts in 2007. The 2013 harvest is a biennial bearing "on" year. In addition generally the weather has been beneficial for crop development despite hail and frost events early in the growing season in Hawkes Bay and hail and wind damage in Nelson. The North Island wide drought, lasting from December 2012 to April 2013, has affected a small number of growers in the Hawkes Bay who lost access to irrigation during the last three months leading up to harvest.

The earlier harvest cultivars such as the Royal Gala types have been reported as having great quality this year with the color, brix, and dry matter content all described as being good. The Royal Gala crop fruit sizes are reportedly on the small side of average but suitable for the Asian markets. Large size counts will be in high demand for the North American markets.

The later harvest varieties such as Braeburn and Jazz are packing out with a more variable quality out-turn and drought stressed fruit is more noticeable.

The Fuji crop is rated as having a lot of fruit with substandard color which will reduce export pack-outs and increase the tonnage going to processing.

In Hawkes Bay, which has 61% of the planted area, the harvest had all but wrapped up by mid May with only the blocks where all the fruit are destined for processing left to pick.

Growers in the Nelson region with a greater proportion of the later harvest varieties will complete the harvest by mid May with wet conditions underfoot. European Canker proliferation has not been in evidence during summer but with the wet conditions and the onset of winter orchardists will need to be pro-active to stop the spread of the disease.

Two international studies on pesticide residues on apples have found NZ fruit compare very favorably with fruit from other origins. The US EPA released a study in August 2012 which found Chilean apples had 4.8 residues per sample which included organophosphates and had a dietary risk index of 0.42; the US apples had 5.4 residues per sample and a dietary risk index of 0.28; while the NZ apples had 3.2 residues per sample and a dietary risk index of 0.02. A further study in the UK found NZ apples had lower residues than apples from UK, France, South Africa, and Chile (which had up to 5 residues per sample). This would vindicate the sectors' concerted work to reduce chemical residues with the "Apple Futures Programme" which 66% of the planted area is grown under. The Apple Futures Programmes' goal is to produce fruit with nil detectable residues. Now only 1% of the planted area in NZ isn't grown under some sort of residue minimization program.

Dry matter content (DMC) which is an integral part of the growing and payments for kiwifruit is fast becoming important for apples as well. There is DMC testing going on and orchard field trials to work out how to influence DMC. DMC is important for taste, and one UK apple buyer is stipulating minimum DMC percentages.

### **MY2011 (2012 Harvest)**

The 2012 harvest volume has been revised up to 480,000 MT based on new data from PNZI. This equates to a 4% increase.

## Pear Production

Pears, Fresh New Zealand  (Ha/MT)	2010 2010/2011			2011 2011/2012			2012 2012/2013		
	Market Year Begin: Jan 2011			Market Year Begin: Jan 2012			Market Year Begin: Jan 2013		
	Official Data	Post Estimate	New Post Data	Official Data	Post Estimate	New Post Data	Official Data	Post Estimate	New Post Data
Area Planted	470	473	473	440	441	441	440	440	448
Area Harvested	470	473	473	440	441	441	440	440	448
Bearing Trees	0			0			0		
Non-Bearing Trees	0			0			0		
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	14,100	14,099	14,611	12,300	12,300	11,554	14,000	14,000	12,850
Non-Comm. Production	200	200	200	200	200	200	200	200	200
Production	14,300	14,299	14,811	12,500	12,500	11,754	14,200	14,200	13,050
Imports	3,100	3,601	3,081	3,200	3,200	3,729	3,500	3,300	3,300
Total Supply	17,400	17,900	17,892	15,700	15,700	15,483	17,700	17,500	16,350
Fresh Dom. Consumption	9,900	10,400	10,400	10,200	10,200	10,000	10,500	10,300	10,000
Exports	4,400	4,387	4,379	3,000	3,000	2,983	4,200	4,200	3,350
For Processing	3,100	3,113	3,113	2,500	2,500	2,500	3,000	3,000	3,000
Withdrawal From Market	0			0	0	0	0		
Total Distribution	17,400	17,900	17,892	15,700	15,700	15,483	17,700	17,500	16,350
TS=TD		0	0		0	0		0	0

### MY2012 (2013 harvest)

The good weather for crop growth extended to pears and production should be up year on year at 13,050 MT. However the latest crop estimate doesn't fulfill the potential forecast last October with this revision 8% less than initial forecasts.

### Grower Returns

The actual result for MY2011, the 2011/2012 growing season, at \$22.71/Tray Carton Equivalent (TCE) is \$2/TCE better than sector forecasts in August 2012. This is a 10% increase.

For MY2012 the industry is quietly confident that MY2011 apple returns could be exceeded based on good quality fruit from NZ going into UK and EU markets that are short of apples and generally Asian markets continuing to be promising. Shipping rates which threatened to be increased significantly have remained stable.

Apple Prices in NZ\$ per Tray Carton Equivalent(18kg) on a Free Alongside Ship Basis								
Marketing Year (FAS/PSD)	2004	2005	2006	2007	2008	2009	2010	2011
Harvest Year Variety/Growing Method	2005	2006	2007	2008	2009	2010	2011	2012
Braeburn-Integrated Fruit Program	9.81	19.42	16.29	25.09	16.13	18.25	18.04	20.10
Royal Gala- IFP	13.87	19.26	19.13	22.16	21.11	22.90	20.37	21.10
Jazz- IFP	31.81	34.24	29.57	30.98	19.46	21.59	18.97	22.33
Granny Smith - IFP	11.46	19.85	16.48	21.64	19.20	21.68	19.48	19.46
Cripps Pink/Pink Lady- IFP	22.72	26.56	25.8	32.12	26.71	21.60	22.79	23.75
Fuji- IFP	18.13	27.06	24.01	26.10	25.53	25.71	20.95	25.52
Pacific Beauty	17.80	17.02	21.95	23.05	32.47	27.59	23.85	24.56
Pacific Queen	17.36	22.26	23.63	26.20	35.19	33.47	29.59	29.64
Pacific Rose	16.51	19.42	20.9	25.37	27.29	30.72	28.01	30.07
Organically grown Braeburn		48.17	30.75	35.14	17.43	25.69	23.13	
All Organic Apples			32.45	36.03	21.15	27.35	24.21	
Average All IFP Apples	12.88	20.02	19.06	24.44	20.52	22.22	20.47	22.71
Breakeven Costs(estimated)				23.00	20.35	22.57	20.01	19.90
Total Export Production(MT)	315,191	264,818	292,096	261,154	303,030	258,982	298,317	284,451

Source: PipfruitNZ, MPI, Post. Note: Breakeven costs include all orchard operating costs and overheads but do not include wages of management, interest, tax or capital expenditure

## Consumption

Total Domestic consumption for MY2012 (2012/13 production season) is put at 67,500 MT which is just under 10% more than had been previously envisioned, and a 7% year on year increase. Human consumption per capita is expected to increase a little because there are plentiful supplies of reasonably priced fruit in the supermarkets. There have been anecdotal reports of fruit being diverted to stock food because of the drought in the North Island; however it is thought that the quantities will not be large.

Consumption for MY2011 is now reported at 63,000 MT based on new industry data, which is 2.6% ahead of the previous estimate, and up 5% year on year which suggests per capita consumption is increasing.

## **Processing**

Significantly more apples are now forecast to be processed in MY2012. At 146,250 MT this is a revision of just on 15% and 9.5% up year on year. At just over 28% of the total crop this is only a slightly higher proportion of the crop than in MY2011 (27.8%) so the increase is basically the result of increased total production rather than a definite swing to processing. The processors were active early in the growing season offering contract prices for whole blocks which now compare very favorably to the lower spot prices available for non export fruit at present. The processors were successful in securing some volume with the early season contract offer, which certainly has some appeal for Braeburn growers who can achieve very high yields and minimize input costs. It is thought an increased proportion of the Fuji crop, compared to last year, will end up going to processing.

The MY2011 processing total has also been revised upward to 133,678 MT based on new industry data.



# Trade

## Apple Exports

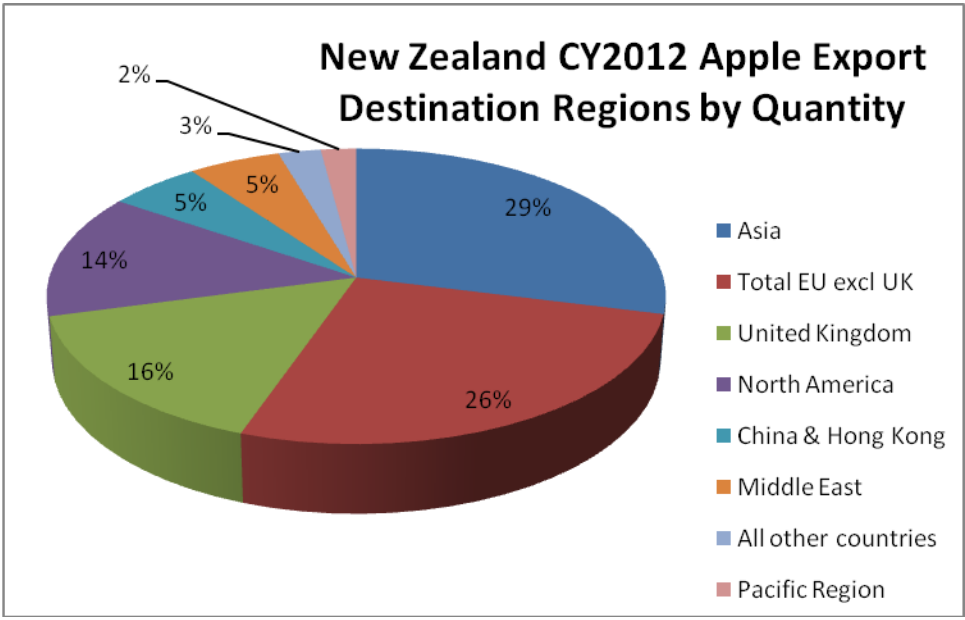
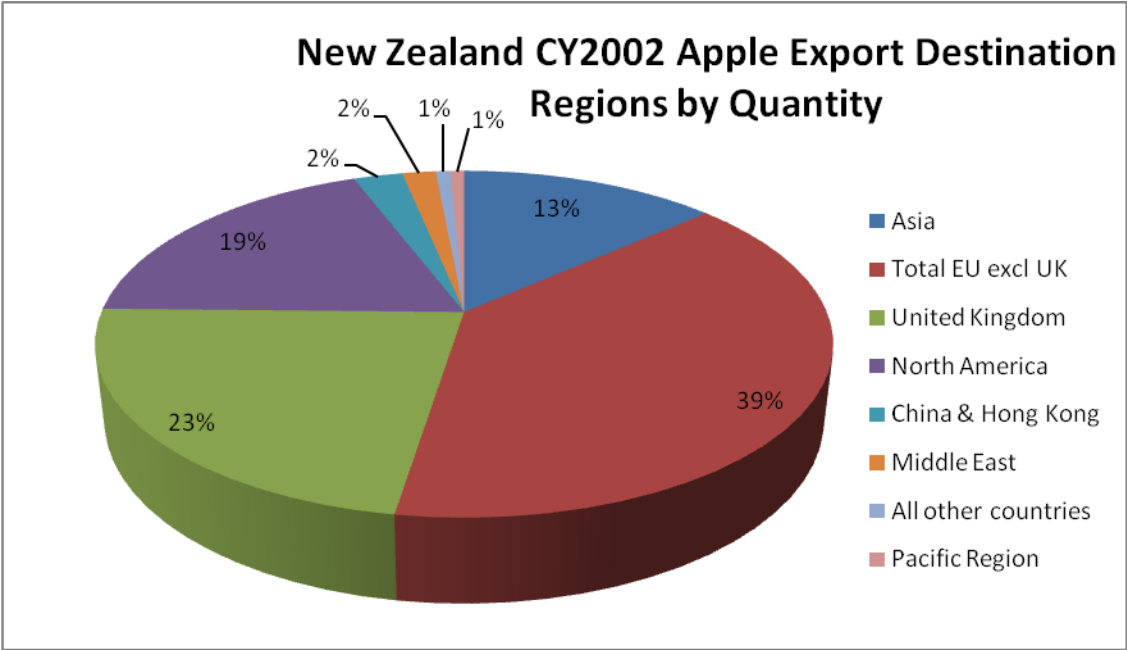
Exports at 306,000 MT have been revised upward by 4.5% and will be 10% up on a year on year basis. This is a result of the significant production revision which will flow through into increased consumption, processing, and exports.

Exports for MY2011 at an actual of 284,451 MT are only 1,451 MT greater than Posts earlier estimate or a negligible 0.5% increase.

New Zealand Fresh Apple Export Statistics											
Annual Series: 2002 - 2012										2012 % Share of Total	2011 to 2012 % change
Partner Country	Quantity(metric tons)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012		
United Kingdom	78453	66061	59181	63073	43526	50286	36297	46171	44024	15.5%	-4.7%
United States	56376	32455	37639	47607	32961	45674	42109	33210	33811	11.9%	1.8%
Total EU excl UK	163219	160886	112240	113494	99134	116452	94619	104357	75206	26.4%	27.9%
Thailand	1082	840	2219	3181	7476	9023	12941	14850	21940	7.7%	47.7%
India	2477	2522	3861	3675	4966	5331	6066	12041	18122	6.4%	50.5%
Hong Kong	6807	4769	5583	6342	8160	13493	11001	16235	14007	4.9%	13.7%
United Arab Emirates	2033	2577	2727	4591	6166	8962	7148	8103	13169	4.6%	62.5%
Taiwan	19279	25762	15204	18283	20599	16450	15634	18152	12217	4.3%	32.7%
Singapore	5230	3721	4595	4824	5736	5894	4517	6310	7387	2.6%	17.1%
Malaysia	6034	3625	4514	5473	6873	6957	3506	6530	7169	2.5%	9.8%
Rest of the World	17336	15391	17677	21870	25229	24330	25845	33496	37397	13.1%	11.6%
Total for All Destinations	358327	318608	265436	292413	260830	302854	259683	299452	284451	100.0%	-5.0%

Source: GTA

The overall trend of the last decade is clear: a major swing to trade with Asia and the Middle East. The process of change has not stopped and is set to continue into the future until the volumes going to Europe reach a level where returns will compete with those from Asian destinations. However it is not just the FOB value per TCE which will be the final determinant because the main cultivar shipped to Europe, Braeburn, is one of the highest yielding and one of the most cost-efficient to grow. With costs lower, a lower FOB return per TCE can still be profitable and the higher yields can improve profitability per hectare which is what matters in the end for orchardists. However even these advantages have not been enough to save Braeburn from the chainsaw.



Source: GTA

The swing to Asia and the Middle East is typified in the trade trends for Royal Gala.

<b>New Zealand Apple Exports for Royal Gala &amp; Gala Sports by Destination Region as a Proportion of Total shipped</b>			
<b>Year Exported</b>	<b>2002</b>	<b>2007</b>	<b>2012</b>
Total Metric Tons Shipped	99875	103869	93561
Asia	13.1%	12.7%	38.9%
China & Hong Kong	4.7%	4.1%	6.1%
Middle East	2.8%	4.6%	12.2%
All other countries	0.7%	2.2%	4.3%
Pacific Region	0.8%	2.7%	3.1%
Total EU excl UK	31.8%	41.2%	19.6%
United Kingdom	25.3%	15.2%	7.7%
North America	20.8%	17.4%	8.2%

Source: GTA

## Apple Imports

Imports for MY2012 are expected to be around the lower end of the range of historical levels at 750 MT because of the plentiful supplies of domestic fruit.

<b>New Zealand Import Statistics for Fresh Apples</b>							
<b>Annual Series: 2006 - 2012</b>							
<b>Partner Country</b>	<b>Quantity</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
World	1046	1424	1645	1253	1151	984	1129
United States	1024	1424	1645	1108	1119	967	1124
Australia	1	0	0	0	0	0	5
Canada	20	0	0	0	0	0	0
China	0	0	0	0	11	0	0
India	1	0	0	0	0	0	0
New Zealand	0	0	0	145	21	17	0

Source: GTA

## Pear Exports and Imports

Pear Exports are expected to be in the region of 3,350 MT in MY2012 which is 20% less than original forecasts but still 12% higher on a year on year basis. If export prices are relatively better than the local market and pack-outs are better than expected the volume exported could well be in excess of the revised forecast of 3,350 MT.

Pear imports in MY2012 are expected to be less than the volume in MY2011 but still in the usual range of 3,000 to 3,700 MT.

New Zealand Import Statistics For Fresh Pears						
Annual Series: 2007 - 2012						
Partner Country	Quantity (MT)					
	2007	2008	2009	2010	2011	2012
World	2919	3739	3158	3710	3081	3729
United States	1192	1132	1199	1786	1263	1710
Australia	823	1753	1468	1352	1361	1551
China	742	705	292	452	365	403
Korea South	161	150	177	117	91	65
New Zealand	0	0	0	4	0	0
South Africa	0	0	22	0	0	0

Source: GTA

## Market Access, SPS Issues, and Trade

PNZI is putting about 75% of its effort and funding ultimately into market access. It hopes that there can be much better alignment between the apple industry, the Ministry of Foreign Affairs and Trade; Trade and Enterprise NZ; and MPI. It is working toward this to achieve much better export performance.

### India

An FTA with India is being pursued by NZ but is still rated at being 2 years away. Apple exports showed a dramatic increase in MY2011 despite the high tariff barrier (50%). However large quantities of lower quality, cheap Iranian apples in the market earlier in CY2013 are holding up resumption of New Zealand trade. In terms of market access the potential for the unenforced regulation for methyl bromide treatment to be enforced over all apple imports is a real threat which if it happened would halt exports from NZ. The Ministry for Primary Industries (MPI) has made scientific representations to the GOI but has not had a reply yet.

### Taiwan

Exports from NZ have to comply with MPI's "codling moth sensitive market program" which does create extra pressure on growers in order to comply but also achieve low chemical residues for grades of fruit within a block which may be better exported to Europe. Reportedly Taiwan relaxed its apple tariff from November to Feb 2013. As a result large quantities of U.S. fruit arrived in the market. This combined with the poorer colored Fuji fruit produced this year in NZ has meant the Taiwanese market is very difficult this season for NZ Exporters.

### U.S.

Big US domestic crops and better storage technology, the high currency exchange rate faced by Kiwi exporters, and a lower proportion of large fruit sizes is all contributing to the exporters losing a bit of focus on the US. It is thought the quantity shipped to the US will be no greater than MY2011.

### China

The Chinese market, which is considered to be one of great potential, is still being found difficult to crack by Kiwi exporters. In MY2011 (CY2012) only 1,513 MT of apples was shipped to China which is no higher than levels reached 5 to 7 years ago. In terms of market access growers and pack-houses must comply with the "codling moth sensitive markets program" and a range of other conditions to prevent any pests or disease symptoms from the extensive quarantine pest list, being

found. The sector is not convinced MPI has the right strategy with regard access negotiations and feels the access conditions are far more onerous than the science justifies.

### **Australia**

Only tiny quantities of apples have crossed the Tasman since the protocols for export from NZ were agreed to following the WTO decision in 2010. The protocols, which are basically a standard set of conditions, were put in place by August 2011. But in MY2011 (CY2012) only 78 MT were shipped. The industry complains that the standards as interpreted by MPI are far too severe which is making it too difficult to profitably ship to Australia. MPI would respond by saying that pack-houses and exporters need to re-calibrate their levels of thoroughness in respect quality assurance. PNZI says the protocol is just too tough and will need re-negotiating before trade will become meaningful.

### **Japan**

Japan is an attractive market, not only are their big numbers of affluent consumers, the shipping time is only 2 weeks and regular. Market access requirements have not changed but MPI negotiated new ways for the sector to fulfill the access conditions back in 2010. Five years ago there was no trade, but in MY2011 2,023 MT was shipped. It is expected the volume will grow in MY2012.

### **South Korea**

South Korea is seen as a market for the future, and MPI has an ongoing work program with regard SPS issues in order to gain access for apples.

### **Commodities:**

Apples, Fresh

Pears, Fresh