

CHAPTER THREE

THE APPLE AND PEAR INDUSTRIES IN AUSTRALIA AND NEW ZEALAND

Introduction

3.1 This chapter provides background information on the apple and pear industries in Australia and New Zealand. It is significant to note that apple fruit is a major export of New Zealand, earning over \$NZ 420 million in 1998, whereas much of Australia's apple production is for domestic consumption. The New Zealand industry is rated the most efficient in the world.

3.2 The chapter also considers the historical ban on the importation of New Zealand apples into Australia, which has been in place since 1921, following the discovery of fire blight in New Zealand in 1919. This is despite previous applications from the New Zealand authorities for re-admittance to the Australian market in 1986, 1989 and 1995.

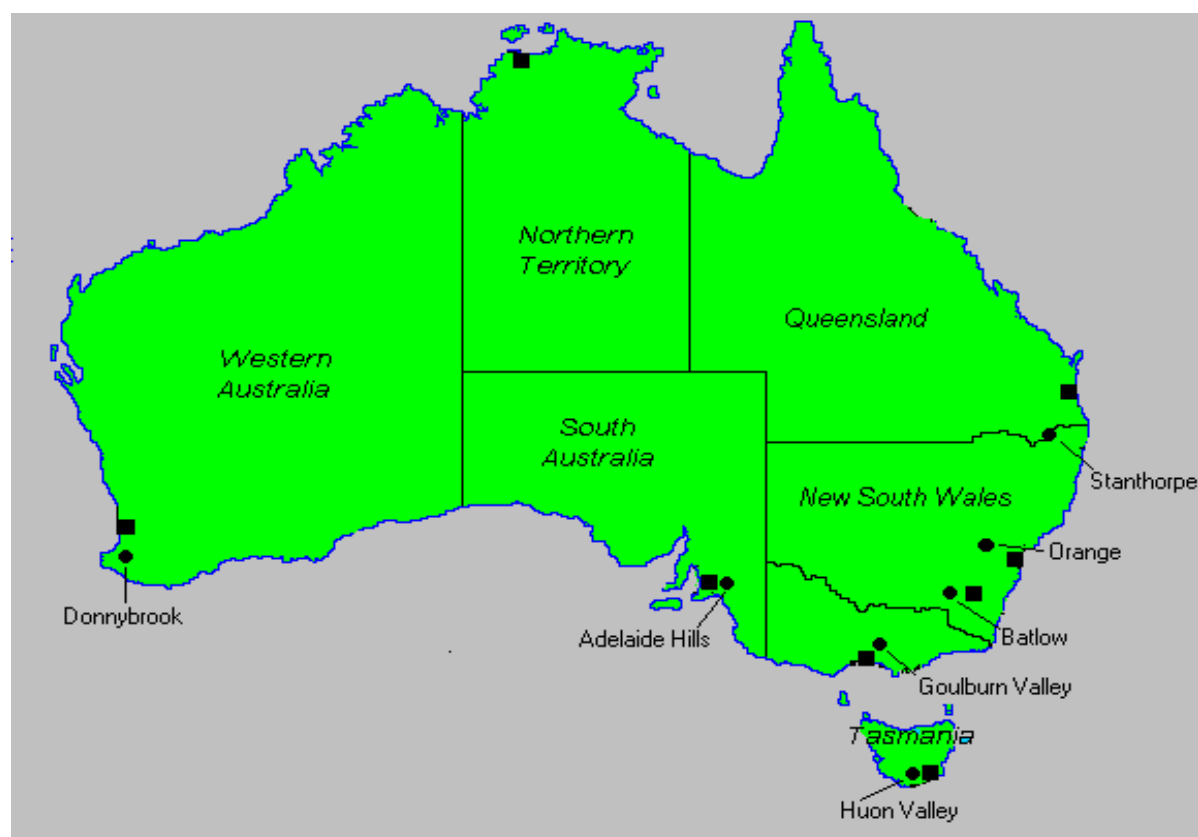
The Apple and Pear Industry in Australia

3.3 The Australian apple and pear growing industry is concentrated in various regions in each state of Australia:

- Stanthorpe (Queensland);
- Orange and Batlow (New South Wales);
- the Goulburn Valley, Bacchus Marsh and outer Melbourne (Victoria);
- the Huon Valley (Tasmania);
- The Adelaide Hills (South Australia);
- Donnybrook and Manjimup (Western Australia).

3.4 These major apple and pear growing regions of Australia are shown in Figure 3.1 below.

Figure 3.1: Major Apple Growing Regions in Australia



3.5 Australian apple and pear production figures for 1998 are provided in Table 3.1 below.

Table 3.1: Australian Apple and Pear Production Statistics for 1998

	NSW	Vic	Qld	SA	WA	Tas	ACT	Total
APPLE								
Production (t)	77,561	94,312	31,249	24,849	34,174	46,693	19	308,856
Trees ('000)	1,413	1,507	657	555	661	1051	1	5,845
Yield (kg/tree)	54.9	62.6	47.6	44.8	51.7	44.4	13.3	52.8
Gross Value (\$m)	73.2	86.0	19.7	23.8	32.7	37.4	-	272.7
PEAR (exc Nashi)								
Production (t)	2,175	131,442	1,715	5,918	10,919	707	-	152,877
Trees ('000)	50	1080	27	75	133	15	-	1,381
Yield (kg/tree)	43.2	121.7	62.5	78.9	82.3	46	-	110.7
Gross Value (\$m)	1.6	90	1.3	6	8.2	0.7	-	107.8

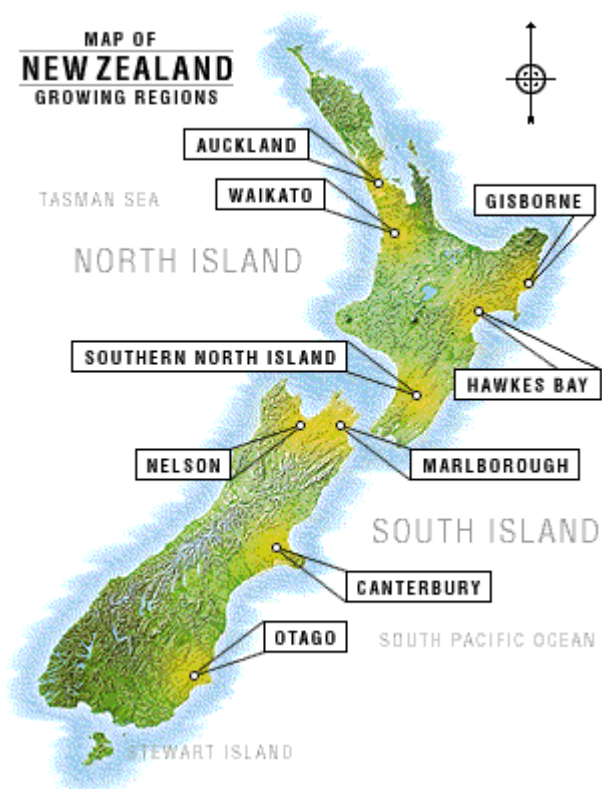
Source: Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 30

3.6 In 1998, Australia exported 9.9 per cent of its apple crop, worth \$21.6 million. The major markets for Australian apples were Malaysia, Singapore and the UK. Apples were also exported to Sri Lanka, Indonesia, the Philippines, Hong Kong, Taiwan, Fiji and Papua New Guinea. Access to Japan is restricted to Fuji apples from Tasmania only (Tasmania is the only state which does not have fruit fly).¹

The Apple and Pear Industry in New Zealand

3.7 New Zealand currently produces in excess of 500,000 tonnes of apples annually, the country's second largest horticultural crop after kiwifruit. Figure 3.2 below shows the nine major apple growing regions of New Zealand, although about 85 per cent of apples are produced in the Hawke's Bay and Nelson regions.

Figure 3.2: Major Apple Growing Regions of New Zealand



3.8 By contrast to the Australian industry, the New Zealand industry is heavily focussed on international trade, and is a major participant in world markets. In evidence to the Committee on 5 April 2001, the New Zealand High Commissioner, Mr Murdoch, indicated that New Zealand exports 58 per cent of its apple crop as fresh apples, together with a further 20 per cent as juicing apples, to 58 nations around the

1 Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 31

world. This represents about 6 per cent of world apple trade. The total value of those exports is around \$NZ 420 million.²

3.9 In addition, Mr Murdoch noted that the New Zealand apple industry is highly competitive and efficient by world standards. He noted that New Zealand ranks first in the world in terms of tonnage per hectare at around 50 tonnes per hectare, and second in the world behind Belgium in the price return per tonne from exported apples at about \$US700 per tonne.³

3.10 In this regard, the Apple and Pear Growers' Association of South Australia (APGASA) supplied the Committee with the 2001 International Competitiveness rating of the 27 major apple producing countries from the 2001 *World Apple Report*. New Zealand was rated as the most efficient world apple producer, for the 5th year in a row. Australia was ranked 8th, up from 11th the previous year.⁴

3.11 Finally, Mr Murdoch also noted that horticulture now makes up 12 per cent of New Zealand's agricultural exports, up significantly from 1.8 per cent in 1975. Apple exports now constitute a quarter of all New Zealand horticultural exports. Horticulture in turn constitutes an eighth of all New Zealand foreign exchange earnings.⁵

The Historical Ban on the Export of New Zealand Apples to Australia

3.12 New Zealand had access to the Australian market for apple fruit up until 1921, when Australia prohibited importation of apples from New Zealand following the establishment of fire blight in Auckland in 1919.

3.13 New Zealand applied to regain access to the Australian market in 1986 and in 1989, but was denied primarily because scientific information on fire blight available at the time was inadequate.⁶

3.14 New Zealand again applied for access to the Australian market in 1995, on the basis that mature apple fruit, free of trash, are not a vector for fire blight. Importantly, BA notes that:

New Zealand's application (which led to the 1998 IRA) was for importation of apples from anywhere in New Zealand, without any other measures to manage the risks posed by fire blight (BA's emphasis).⁷

2 Evidence, RRAT, 5 April 2001, p 407

3 Evidence, RRAT, 5 April 2001, p 408

4 *The World Apple Report*, February 2001, cited in APGASA correspondence, 26 February 2001

5 Evidence, RRAT, 5 April 2001, p 410

6 Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 17

7 Biosecurity Australia, 'Draft IRA on New Zealand Apples – An Overview', http://www.affa.gov.au/docs/market_access/biosecurity/plant/nzappov.pdf, p 1

3.15 AQIS subsequently commenced an IRA in 1996, however suspended it in April 1997 following the discovery of fire blight symptoms in the Adelaide and Melbourne Botanic Gardens, discussed later in this report.⁸

3.16 Preparation of the IRA recommenced in March 1998. The final IRA was released in December 1998. Once again, the final 1998 IRA rejected New Zealand's request for access to the Australian market:

AQIS did not consider that on the basis of available evidence the New Zealand claim that mature apple fruit free of trash are not a vector of fire blight was adequately demonstrated. AQIS also believed that the New Zealand proposal did not provide an equivalent level of protection required for other products imported into Australia that could carry high impact pests. In these respects the New Zealand proposal was not consistent with Australia's appropriate level of protection and therefore could not be accepted.

AQIS considers that with the current state of knowledge and the unresolved uncertainty about the possibility of apple fruit acting as a vector for fire blight, any risk management measures should be based on arrangements that provide, to a high degree of certainty, that imported apples are not carrying the fire blight pathogen, *Erwinia amylovora*.

In regard to other quarantine pests AQIS considered that satisfactory risk management measures based on field control, orchard inspection and packinghouse inspections could be used to manage these pests to achieve adequate quarantine protection. These measures would be directly equivalent to those applied by AQIS to other products coming from New Zealand and other countries for the same range of pests.⁹

3.17 Accordingly, the importation of fresh apple fruit and fresh pear fruit into Australia from New Zealand currently remains prohibited.¹⁰

8 Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 17

9 Cited in Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 18

10 Biosecurity Australia, *Draft Import Risk Analysis on the Importation of Apples from New Zealand*, October 2000, p 25

