

Dollar subdues export opportunities

Between a slimmer crop and a high dollar, the Australian stonefruit industry is expecting a quiet year on the export front

If you must have a drop in harvest volume, this is not a bad year for it. That's the atmosphere within Australia's stonefruit industry, which is going into the new season with an exchange rate against the American dollar so high it's only matched by exporters' blood pressures.

Some of them are welcoming the fact the upcoming season is forecast to be a lighter harvest than the last. Australia's stonefruit crop this season is looking slightly lower than 2008/09, which was around 100m tonnes.

"It might not be a bad thing, the way the currency is at the moment," explains David Minnis of 888 Exports. "It could have compounded the problem if we had lots of fruit, and this way we're not oversupplying things."



Stonefruit volumes will be down from December

The overall volume drop can be largely attributed to a drop-off in late-season varieties, according to Rowan Little of stonefruit grower-packer-marketer Montague Fresh.

"Apricots are not looking quite as full, but they're bigger in size," says Mr Little, speaking in mid-October. "Early season peaches and nectarines are looking like a good crop, but the late season will not be as heavy but will have better size."

Plum volumes are the one outlier, and are expected to rise on last season's figures.

The late-season drop in volumes will take effect from December onwards, according to Gaethan Cutri of Asian export-focused grower-packer Cutri Fruit. "After November the volume will be down," he details. "That's in general, across the growing regions, and it's down by as much as 30 per cent."

With the dollar the way it is, there are opportunities out there, but you can't get as excited about them as last year

That fall in the late crop has been heightened by a trend in recent years to shift planting to pre-Christmas varieties, driven by the demands of the Australian domestic market. Sales before Christmas are solid, but following the holiday season growers can't give the fruit away, says Ian McAllister, the chairman of peak body Summerfruit Australia.

"That's possibly a short-term vision of how the market will work," he says. "Everyone rushes to get in the same window, but it's not good business sense."

The big positive for growers this year has been water availability, which is at the best level in around five years across the major producing regions, industry sources tell Asiafruit Magazine. Water allocations still represent a significant operating cost, however.

On the export front, Australian stonefruit has been seeing some growth in South East Asia, and promotions in major retailers in countries like Thailand have raised the profile of a category little known outside the region's major cities (see p24 for more).

Mr Cutri, who says Cutri Fruit is targeting Thailand as well this year, explains that the best approach this year is simply to service existing customers in the region. "With the dollar the way it is, there are opportunities out there, but you can't get as excited about them as you could this time last year."

Hong Kong and the trade through

With Australia's status as a high-cost producer in mind, grower-packer-marketer Cutri Fruit has ramped up its efforts to claim the high end of the market, with significant attention focused on two areas; tree nutrition and shelf life.

The company's Gaethan Cutri explains its nutrition programme has involved detailed analysis of the fertiliser requirements of each of its stonefruit varieties, and has lengthened care given to the fruit specifically to extend its shelf life from the traditional three weeks before harvest to a full-season activity.

The project has notably seen more trace element fertilisers applied to the trees early in the season. Mr Cutri says the greatest gains are to be made during the cell division stage of growth.

Cutri Fruit's cold chain has also been boosted, beginning in the field with a pair of new portable coolrooms using Bioconservacion Ethylclean machines.

"This technology uses BI-On granules which oxidise ethylene and other gases harmful for the preservation of the fruits as well as reducing microbial development," Mr Cutri details.

"Our goal at Cutri Fruit is to be globally recognised as Australia's premium brand of stonefruit."

to mainland China has become one of the leading export markets for Australian stonefruit. But exporters say meeting the market's requirements and expectations can be difficult, often because of Australia's growing conditions, according to Mr Minnis.

"You can have a good piece of fruit, but because the skin colour has gone from cherry red to purple red, the Chinese don't want it, or they discount it," he explains.

"There's nothing wrong with the fruit, but the skin colour is like that because of high temperatures during the season. They associate that dark red colour with over ripeness, which comes from experience with other suppliers where that holds true."



Plum opportunities for WA

Asiafruit Magazine talks to **Mark Pidgeon** of United Exports about the markets for West Australian stonefruit

How is the new season looking so far, and how have growing conditions compared to last year?

MP: It's still early but the stonefruit season out of Western Australia is looking like there is a reasonable crop. A late winter and late rains may have affected flowering and pollination a little in the earlier varieties, but overall crop size at this stage looks similar to last season.

When do you start harvesting, and when do you expect to start exporting?

MP: We start harvesting WA stonefruit as early as November from some northern growing areas, but don't start exporting until after Christmas when the main plum varieties start to be harvested from the Hills region around Perth.

Has water availability been an issue again this year?

MP: Water management is always an issue wherever you are in the fruit growing industry in Australia. However, on the Western Australian scene the scale of production – smaller family holdings – and the source of water – usually artesian – has not seen the extent of water problems experienced by larger stonefruit growers irrigating from river systems in the Eastern States.

How much of your harvest do you plan to export?

MP: The majority of plums will be exported from WA. The domestic market is small and the harvest window from late December to March is in line with the Chinese New Year festival



The majority of West Australia's plum harvest is exported

throughout East Asia. This year it falls on 14 February.

The domestic market for peaches and nectarines is stronger, so a relatively small proportion of the fruit will be exported. Pre-Chinese New Year premium quality white flesh varieties will be shipped along with plums to clients in Singapore, Malaysia and Hong Kong. Later there is a reasonable market for red-skinned peaches in the Persian Gulf once South African supplies of fruit diminish in that market.

I believe our government is also working with the Indian government to come up with a workable seafreight protocol for stonefruit and other items. When this occurs I feel there is an opportunity to really develop plum sales especially in that country.

Australian stonefruit looks to Taiwan reopening

The loss of access to the Taiwanese market in January 2006 was a significant blow to Australia's stonefruit exporters, but the industry is hoping the situation could be reversed in time for this season.

Discussions with Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) have yielded an access protocol agreed to in principle, but not yet signed as Asiafruit Magazine goes to press.

The deal could see access granted for peaches and nectarines this season, although plums have not been part of the discussion. The industry is hoping access will come through in early January, Ian McAllister of Summerfruit Australia tells Asiafruit Magazine.

"Taiwan was traditionally our biggest market for export," says Rowan Little of grower-packer-marketer Montague Fresh. "Back in the early 2000s it was taking considerable volume, and our feeling is that it would certainly give us another significant avenue for sales."

Changing Taiwan's quarantine regulations, should the deal be signed, is expected to take three to four months, and will allow Australian stonefruit to enter via sea after in-transit cold sterilisation.

"The question then is will we be able to ship before those regulations are changed, or will we have to wait until after," says David Minnis of 888 Exports.

Mr Minnis does not expect a large volume of peaches to make the trip regardless of how soon a deal is signed.

"Exporters might nominate 3°C as the carriage temperature," he states. "I personally don't think a lot of peaches will go because of that temperature, just nectarines. It's important that we get one of them across, though."

Chile is expected to provide stiff competition to Australian attempts to reclaim market share. The South American supplier gained dominance in Taiwan's stonefruit sector following Australia's loss of access.

"I think that market, which Australia previously had a strong hold on for stonefruit, is now the focus of Chilean growers," explains Gaethan Cutri of grower-packer-marketer Cutri Fruit. "It will not be a panacea if we get in, but I'm excited about the potential of it reopening."