

Chairman’s report 24th May 2021

Leading into the outdoor blueberry season back in Sept / October 2020, there was some concern about 3 factors; could we get enough pickers to get our crop harvested, would we get more rain than the previous season to help size our berries better/ grow good plants and would we be able to get our fruit out of NZ with limited flight options.

Eight to nine months later I think most have got through reasonably well for picker numbers, some rain arrived, enough to size the fruit and help grow good roots, shoots and buds for the next season.

As for getting our fruit out of NZ, I think that has gone very well, there has been more hassle for our freight forwarders to deal with on a day to day basis, but we have got everything out of NZ we wanted to. Asia was more challenging. The cost of getting fruit to Australia rose by $1.20 - $1.50 / tray and for asia more like $6 / tray, this made it more challenging to be competitive in Asia.

With all this happening it meant that more of the NZ tunnel house fruit had to stay in NZ during the September to December harvest window, given this, I was surprised at how well the local market returns maintained some semblance of normality, when combined with outdoor fruit available in that window, sales went reasonably well. That does not mean the usual aggressive retails in December did not occur, they did, and these are very confronting for us as growers, really challenging our margins.

From a growing perspective, a very similar start to the highbush season to last year, a good start with volume, quality and pricing, the low number of rainfall days and low volume of rain helped get good pollination and keep disease levels low. The continued very low rainfall has continued to cause some considerable plant stress for many growers, especially for those without irrigation. Young plants are the worst effected, some to the point of dying, older plants came under stress, some getting Botryosphaeria, others just struggling to size their berries to full potential. Although we had a wetter than usual March, rainfall for the season (Sept-May) is only at 75% of average and 50-60 % of the rain we had in the Waikato through 2016-2018. This continued dry is leaving ground water levels very low.

Demand has continued to grow within NZ for fresh and frozen blueberries, this is a positive sign for the future, and the supply of fruit in the shoulders of the traditional season has increased significantly, helping to grow demand. Heavy supply and aggressive retailer specials in an extended period through the traditional main season has also increased sales, even if the retail prices the supermarkets want is leaving growers suppling at below cost, consumers and supermarkets are happy. This seems to have become normal now and I expect the window of aggressive pricing to start earlier and last longer, this will potentially lead to even more blocks being removed from production, made worse by ever increasing wage cost and greater competition for a limited pool of workers.

As for the Australian market, their supply of fruit was stronger again this season and demand kept pace, for their main season, the market was moving through north of 300,000 trays a week. When NZ started its traditional rabbiteye crop the Australian production was heading down and they only had 50-70,000 trays a week to sell, good timing for us to sell our fruit. Unfortunately, some storage issues with Australain fruit in modified atmosphere meant they needed to sell early an extra 60,000 trays a week for around 3 weeks which kept a lid on pricing for NZ fruit, hopefully that will not be an ongoing issue.

In recent weeks, BBNZ has been made aware by MPI that pests have been more of an issue in Australia than we have previously thought. The Australian equivalent of MPI is DAWE, they delivered a report from the 19/20 season outlining considerable concern over pest interceptions at their border. As an industry the percentage of interceptions has been around 30%, resulting in fumigation with Methyl Bromide and because of the ongoing issues, NZ has lost it’s CBIS status, which allows for less inspections when confidence is built in exporter shipments. Because MPI and BBNZ nor our exporters or growers knew about this issue, the 20/21 season has continued without any positive change in interceptions.

From the perspective of DAWE, they are very concerned about blueberry exports from NZ and have communicated this to MPI and expect improvement for the next season. This issue is also being worked through with Avocado and Kiwifruit industries, although they are a season or two ahead in trying to improve, unfortunately no body connected the dots to give BBNZ a heads up earlier and when coupled with the slow reporting from DAWE we are now behind the eight ball. BBNZ Industry members have already been actively involved in working on this issue and will continue to do so.

There are some challenges for us to work through when exporting, around getting pest ID’s completed to a level that will help us in our control strategies as well as giving MPI and DAWE potential confidence that some of the pest being found are actually non actionable, this is not a new issue and MPI have been on this issue for a while, especially for Mites and Leaf roller.

You will all recall myself and others talking about pest scouting and pest control options for the last couple of years, I believe those conversations now have to turn into action for exporting fruit into Australia, we hope we will have other strategies we can employ to assist in our success but scouting and control where required will be imperative.

This is all very recently developed but we are working on things we can do to assist in this area, nobody will be alone in this, we are all working together.

All exporters have been having the same pest issues, but DAWE will expect the industry to all be improving, so we are not alone here either. I have reached out to Avocado’s already to see what things we might be able to learn, they were at 30% also, now down 10% interceptions. Some of there actions will not be an option for us, but I continue to look for assistance.

Italian Kiwifruit being exported to Australia this year were at 50% and are now shut out until every shipment is treated prior to leaving Italy with Methyl Bromide, this is a problem for them as they are not allowed to use that product in Italy, we don’t want to be in a position of Australia telling us how to deal with these issues, we need to lean into this problem and accept the challenge.

Independent Verification Authorities (IVA’s) checking our shipments prior to export did not pick up these pest issues either, which leads me to question whether DAWE inspectors are using greater magnification than they have advised they are using, MPI are trying to find this out as IVA’s, pack houses and growers will effectively need to do the same as DAWE.

The fumigation we have done historically in Auckland using Vapour Mate ( ethyl formate), works on some pest, but it seems not so well on mite eggs, some young mealy bug and on some leaf roller, we are looking into this to see if our temperature range is suitable, our dose rate is suitable and if our exposure time is suitable or whether any of these factors can be modified to assist us in presenting fruit to DAWE which is free from live pest, or whether we are already using the product to its full potential.

Pest thresholds is another area we are working on so that as growers we make decisions at the right time to get effective control of pest.

BBNZ Exec members have been meeting with MPI on market access over recent months to continue our working on gaining access to Korea and China, we are still waiting on responses from both countries. Covid has definitely not helped move this along, only delay it. NZ’s current relationship with China at a political level has the potential to hinder our progress in this area, any recent success on market access issues has been to maintain current status, rather than progressing new access.

As you will all have now heard, Jan Bishell’s husband Gary died a couple of weeks ago, some of you will have got along to the funeral and had a chance for catching up and paying your respects. Many will recall Gary coming along to our field days and visiting orchards on their holidays, he was a very easy man to get along with and will be missed, our thoughts go out to Jan at her time of great loss.

Sam and Glen have organised a field day in Whakatane on the 15-16 June, please take advantage of this, you may recall last year we could not hold the event due to Covid, it was missed because we could not go, now we have the chance we need to make the most of it. If it is not supported, we can easily remove it from the schedule, *use it lose it*. See you all there.

Dan Peach

Chairman

BBNZ