


The absence of fire blight and European canker make Australia an attractive place to grow apples, but Biosecurity Australia's trust in New Zealand's quarantine processes means local growers can no longer take a zero-risk approach to the diseases. On a commercial level, the industry will need to raise its tonnage per hectare if it is to cope with new competition on supermarket shelves, while Apple and Pear Australia Limited (APAL) chief executive Jon Durham believes the U.S. could be next in line. 

A Centre for International Economics report has found Australian apple growers could lose a third of their income due to imports, while in a last ditch effort the country's shadow minister for agriculture is pushing a new bill to amend quarantine legislation.

APAL has fought tooth and nail for more rigorous scientific evidence for quarantine requirements, and since 2006 it has invested in the Future Orchards 2012 program to improve competitiveness.

Durham tells *www.freshfruitportal.com* the industry has had to accept the likelihood of New Zealand apple imports, with plans to step up its game in intensive orchard practices.

"The reality is that the industry has accepted New Zealand apples are going to come here; it's really just to what degree, the measures that will be in place, and what protection will be offered in the event some apples come here with fire blight or European canker, which Australia doesn't have," he says.

"Future Orchards going forward will be more in terms of benchmarking, giving industry the expertise to get a higher percentage of premium quality apples in terms of size, taste and color.

"It's not about growing more apples but about reducing the cost of producing apples and improving quality."



APAL chief executive Jon Durham

Future Orchards origins

More than a decade ago Durham recognized a need for Australian apple growers to improve productivity, taking farmers on an Italian South Tyrol study tour in 1998.

"It was to look at what the Italians were doing there and to demonstrate to our industry there were much better ways of growing apples," he says.


"From that point on, APAL had an industry approach to learn from the best in the world, and we've done a number of study tours to Europe, a couple in the U.S., and we implemented the Future Orchards 2012 Program.

"That project was paying much closer attention to intensive orchard development, for having consistency, and we had orchard walks on an intensive basis."

He says the program starts below the ground and works its way up, involving dwarf root stock assessment, encouraging taller trees with more branches and introducing support structures.

"Some of our growers have gotten up to 100 (metric) tons per hectare, and when I say that it's around the best there is and it's not a large percentage of the industry, but when you've got a few players doing it - and some have done more than that - then the rest of the industry shifts its focus.

"Once they see what's possible, we get more growers planting intensively."

Future Orchards technical advisor and New Zealand-based company AgFirst, believes the top 25% of Australian apple growers are achieving mature tree yields of around 60 metric tons (MT) per hectare, which is above the Italian and New Zealand averages of 55MT/ha and 53MT/ha respectively. 

But Australia's average apple productivity lags well behind the industries of other countries at 30MT/ha, with the Gala variety averaging in at 28MT/ha and the Pink Lady variety at 40MT/ha.

AgFirst also estimates growers in the state of Victoria are achieving productivity levels 5MT/ha higher than the national average, with 33% matching the productivity levels of the world's benchmark apple-growing regions.

Varieties

Durham says Australian consumers are very loyal to Pink Lady and Granny Smith apple varieties, while the industry is also complemented by Gala and Fuji apples.

"New Zealand has the Pacific series which we don't grow at all in Australia. They've got the Jazz, which has one Australian grower under license," he says.

"The industry is always looking at new genetic material and that's just a fact of the business

of apple growing - we're always looking at new cultivars, and they're coming through thick and fast.

"We invest in Prevar, which is in collaboration with New Zealand industry in a breeding program. We've invested in a Western Australian breeding program for the last few years, and we invest in pear breeding as well."

He says the Western Australian breeding program has focused on developing new cultivars from a gene pool of Cripps Pink and Cripps Red.

Costs and competition

Durham says the industry's mood is 'reasonably positive' despite the challenges, but growers who haven't been able to improve efficiency have fallen behind.

"Total volumes produced have been largely stagnant if not slightly declining, so what we're seeing is the more efficient and productive operations displacing the inefficient orchards. The industry is contracting to those operations that are better managed.

Intensive orchards can be very capital intensive, ranging from between AUD\$40,000/ha (US\$42,844) and AUD\$60,000/ha (US\$64,266), compared to AUD\$10,000/ha (US\$10,711). With netting involved, the practice keeps out hail, birds, flying foxes, sun and wind damage, while also reducing water requirements and allowing for more timely spraying applications.

To help growers survive, APAL recently launched its 'Aussie Apple Accord' in a bid to find AUD\$120 million (US\$128.5 million) to help the industry survive, calling on the Federal Government to provide AUD\$22 million (US\$23.56 million).

The impending imports will not make life easier for Australian apple growers, but Durham says the effects will depend on price points, which could prove difficult if recent U.S. cherry imports are anything to go by.

"Having a bit more competition in the market's not going to be easy, it really depends on the price points of the Chinese, the New Zealanders, and maybe eventually we'll see U.S. apples on the market I suspect.

"It's a bit worrying when you see U.S. cherries being sold in Australia this week at AUD\$9.50 (US\$10.18) a kilo at retail, and you start to wonder how much money the Americans are making when you can buy cherries that can be sold at that sort of price point.

"I personally can't understand what the motive is - I don't understand how they can grow, pack and ship a kilo of cherries into Australia and have them sold at AUD\$9.50 (US\$10.18) a kilo, and see anyone make any money from it, apart from the people who manage the freighting business.

"If they take the similar approach with apples, it's not going to be a very attractive place to operate."

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