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Steady outlook for NZ exports

Revenue from horticulture is expected to stabilise beyond 2019 after significant growth this year



The Situation and Outlook for Primary Industries (SOPI) report released by the New Zealand government has predicted an exceptional growth in export revenue over 2019 will not be replicated in 2020.

According to the report, total horticultural export revenue will reach NZ\$6.1bn (US\$3.9bn) in 2019 (12 months to 30 June) an increase of 13.7 per cent on the previous year.

This comes on the back of a significant increase in kiwifruit exports, which are tipped to generate an export revenue of NZ\$2.4bn (US\$1.5bn), a 22 per cent increase on 2018.

This growth is not expected to continue into 2020, with export revenue forecast to increase less than 1 per cent from 2019 to 2020.

This may only be a short-term deviation according to the report. "Momentum is expected to return to this sector over the medium term through high profitability and continued investment," the report read.

Year-on-year growth in horticulture export revenue is expected to increase by 3.8 per cent in 2021, 3.9 per cent in 2022 and 5.3 per cent in 2023.

Kiwifruit and pipfruit will continue to be the main drivers of New Zealand's horticultural exports.

Kiwifruit export revenue is expected to grow 15 per cent by 2023. This will be instigated by high profitability, particularly for the SunGold cultivar. Gold kiwifruit yields are set to see volumes surpass green for the first time in 2019/20.

With recent and planned plantings of apples and pears coming into production in the medium-term, the report forecast an increase in export revenues by 13 per cent by 2023, reaching NZ\$1bn for the first time.

The report also warned a shortage of labour, including skilled permanent and seasonal labour, is a constraint on the growth and potential productivity of several fruit sectors.