

WORLD TRADE ORGANIZATION

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**Working Party on
State Trading Enterprises**

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STATE TRADING

Replies to Questions Posed by the UNITED STATES¹ and the EUROPEAN COMMUNITY² Concerning the New and Full Article XVII Notification of NEW ZEALAND³

The following communication, dated 26 July 1999, has been received from the Permanent Mission of New Zealand.

QUESTIONS FROM THE UNITED STATES

Q. In Part III, Section C, of the New Zealand Article XVII submission, New Zealand indicates that the New Zealand Apple and Pear Marketing Board has responsibility for exporting New Zealand apples and pears, but in Table II, shows only exports of apples. Could New Zealand provide statistics on exports of pears by the New Zealand Apple and Pear Marketing Board?

Reply

Exports of Pears by the New Zealand Apple and Pear Marketing Board 1995-1998 (year ended September)

Year	Total quantity exported (thousand tonnes)
1995	4.2
1996	3.3
1997	4.4
1998	5.6

Source: New Zealand Apple and Pear Marketing Board.

Q. In the same section, New Zealand indicates that the New Zealand Apple and Pear Marketing Board also has the authority to grant approvals to other exporters after publishing guidelines for such applications. Based on Statistical Table II, the New Zealand Apple and Pear Marketing Board appears to be the sole exporter of apples. We understand that the

¹ G/STR/Q1/NZL/1

² G/STR/Q1/NZL/2

³ G/STR/N/4/NZL

New Zealand Apple and Pear Marketing Board published guidelines for applications by other exporters. However, the New Zealand Apple and Pear Marketing Board appears to continue as the sole exporters of apples and pears. Could New Zealand provide additional information about the participation of exporters other than the Board in New Zealand apple and pear exports?

Reply

The New Zealand Apple and Pear Marketing Board published the guidelines which it uses to assess the applications of alternative traders who wish to export fresh apples and pears.⁴

Over the period 1995-98 several exporters have been granted consent to export apples and pears by the New Zealand Apple and Pear Marketing Board. The table below lists the companies participating in exporting apples and the amount each exported. These export volumes were not included in the statistical tables in New Zealand's State Trading Enterprise notification (document G/STR/N/4/NZL). The figures included in the statistical tables II and III were the volume of apples exported by the New Zealand Apple and Pear Marketing Board only.

Other Export Participants in New Zealand
1995-1998 (year ended September)

Year	Exporters	Total quantity of apples exported (thousand tons)
1995	Consumer Marketing International Ltd. (Apple Fields/Dovex Joint Venture)	0.09
	Grocorp Pacific Ltd.	0.03
	Asia New Zealand Marketing Ltd.	0.59
1996	Consumer Marketing International Ltd. (Apple Fields/ Dovex Joint Venture)	0.70
	Clutha Valley Exports Ltd.	0.09
1997	Turners and Growers Fresh Ltd.	0.07
	Antipodean Trade Group Ltd.	0.09
	NZ Organics Ltd. (Freshco)	0.23
1998	Ventura Pacific	0.04
	Freshco	2.34
	Peak Horticulture Ltd.	0.82
	Antipodean Trade Group Ltd.	0.18
	Fern Ridge Meat Marketing (NZ) Ltd.	0.44
	Adapples	0.04

Source: New Zealand Apple and Pear Marketing Board.

Q. In Part III, Section C, of the New Zealand Article XVII submission, New Zealand also indicates that the Dairy Board Amendment Act of 1992 required the New Zealand Dairy Board to establish criteria under which approvals to export other than through the Board could be made. Could New Zealand provide information about the status of these criteria?

⁴ A copy of the Guidelines for Consent to Export Apples and Pears for the 1998/99 season is available for consultation in the Rules Division by interested delegations (Miss Susan Aspinall, Office 1028, Tel. 739 5109).

Reply

The Board has established guidelines to enable it to give on request to any person who might enquire, without charge and pursuant to Section 17(1E) of the Dairy Board Act 1961, "written notice of the guidelines for the time being in force under subsection (1A)(c)" of Section 17. As required by subsection 1(A)(c) of the Dairy Board Act, these guidelines have been published.⁵

Q. In Statistical Table II, New Zealand indicates that average representative domestic sales prices for commodities marketed by New Zealand STEs – dairy products, kiwifruit, apples, pears, hops, and raspberries – are not available. Could New Zealand explain the lack of domestic price information for these commodities?

Reply

Due to New Zealand's heavy reliance on exports of agricultural products, including fruit and vegetables, New Zealand's statutory marketing structures are focused on exports. Apart from the New Zealand Hop Marketing Board and Raspberry Marketing Council, both of which have legislative power to regulate and control the marketing of hops and raspberries domestically, New Zealand's Producer Boards are export marketing structures only and have no statutory marketing role on the domestic market. Neither New Zealand's producer boards, nor the New Zealand Government collect domestic wholesale price information.

QUESTIONS FROM THE EUROPEAN COMMUNITY

Q. Could New Zealand give some data on the average procurement prices of apples by the New Zealand Apple and Pear Marketing Board from 1995 to 1998.

Reply

The New Zealand Apple and Pear Marketing Board is responsible for the export marketing of apples and pears produced in New Zealand. The Board acquires produce as provided in its legislation, rather than purchasing the produce for export sale in the usual way.

Based on world price forecasts for apples and pears, the Board determines the initial payments to producers. Final payments to producers are made on receipt of actual returns from the world market minus the costs that the New Zealand Apple and Pear Marketing Board incurs in storing, transporting and marketing the product. This is in line with the Board's cooperative structure.

As the New Zealand Apple and Pear Marketing Board does not purchase apples for export in the usual way, an answer is provided below for the second question raised by the European Commission.

Q. If these data are not available, is there any information on the average prices received by farmers for their apples during that period?

⁵ A copy of the Dairy Board's guidelines is available for consultation in the Rules Division by interested delegations (Miss Susan Aspinall, Office 1028, Tel. 739 5109).

Reply

Average Returns on Apples Exported by the
New Zealand Apple and Pear Marketing Board
1995-1998 (year ended September)

Year	Average price (US\$/kg.)
1995	0.41
1996	0.46
1997	0.37
1998	0.44

Source: New Zealand Apple and Pear Marketing Board.

Note: 1. Prices for apples are those received by New Zealand apple growers after marketing costs have been deducted.

2. The average returns on apples received by growers are converted from NZ\$ to US\$ using the following exchange rates for the years 1995 to 1998 (September averages): 0.6484, 0.6748, 0.6850, 0.5595 from the Ministry of Agriculture and Forestry.
