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Growers eager for positive signal on brassica seed exports

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Seed growers and merchants will be paying close attention to approaching official trade talks as Prime Minister John Key heads off tonight to mark 40 years of diplomatic relations between New Zealand and China.

This year is the fifth anniversary of New Zealand's free-trade agreement with China and agriculture is expected to feature large during talks.

The seed industry hopes they might result in the reopening of a multimillion-dollar vegetable brassica export market that has been stalled for two years, so crops can be planted this spring.

This has special ramifications



Seed harvesting: The seed industry is hoping the vegetable brassica export market to China can reopen.

Photo: FAIRFAX NZ

for Canterbury growers, as the province is the largest producer of vegetable seed.

Seed exports were stopped by Chinese regulatory authorities in 2011 because of a one-off discovery

of the black leg fungus, which is common in China. When the market closed, it was valued at about \$4.5 million.

New Zealand Grain and Seed Trade Association (NZGSTA) manager Thomas Chin said Key had not released an agenda for talks, but they would almost certainly cover trade.

"We had a modest contribution of trade to China of about \$4m when the market closed. Realistically, if the trade had been allowed to continue it would be \$20m now.

"We are losing \$20m and the potential could be \$40m, because we have used conservative estimates of the market's size and demand."

He said seed chiefs had briefed New Zealand officials on the

Chinese situation. While revenue from the seed market was small compared with other agricultural trade, it had good potential and would hopefully be included in trade talks, as it was consistent with the Government's growth agenda, he said.

NZGSTA was worried that European or United States competitors might take over the brassica seed market, with local growers losing another season of export earnings unless the ban was resolved.

Until the trade restrictions came in, Kiwi exporters had shipped brassica seed to China for more than 20 years.

Growers multiplied Chinese-supplied seed in the northern hemisphere in the off-season and

shipped it back to be grown for fresh vegetable production for Chinese consumers.

Demand was increasing for Kiwi-grown vegetable greens, such as choi-sum, bok choi, Chinese cabbage and Chinese kale and, after years of high inventories, seed demand was expected to increase again this winter.

Chin said other competing countries would become the primary suppliers, and there would be little reason for China to change back to New Zealand if the ban was lifted later.

"If it is to meet production cycles for 2013-14, the seed industry needs an indication from China no later than July that the market will reopen."

This would give growers time to

plan, with spring sowing to begin in September for a harvest in March next year. Chin said growers would otherwise look to plant another crop and needed a signal from China if there was interest in reinstating trade.

"The 40th anniversary year of diplomatic relations between New Zealand and China presents an opportunity for our top officials to reinforce to China that New Zealand is the best in the world at what we do and that we have the assurance systems to mitigate risk concerns."

New Zealand continues to sell brassica seed to Hong Kong, and Southeast Asia, including Taiwan and Indochina. In the meantime, China is obtaining seed from North America, France and Italy.