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A bright future for export plums

By Ric Engel¹, Horticultural Research Officer, South Perth and Glynn Ward, Adviser, Midland

Western Australia's stone fruit industry is relatively small by Australian and world standards owing to its small domestic market and past uncertainties with export.

However, the industry is expanding to take advantage of growing markets in south-east Asia. It has adopted new production and marketing technology and is developing new varieties to meet the demand.

The future for our export plums has never been as promising as it is today. This is linked to fruit quality because markets are fickle and highly sensitive to poor quality fruit.

The State has not yet fully realised or exploited its competitive advantages for plums in south-east Asia. These markets want fruit that is fresh, sweet and of consistent quality.

The introduction of a Quality Management Program in 1990-91 helped the State develop a reputation for consistent quality compared with other suppliers. Our proximity to these markets means air-freighted plums arrive in the freshest condition, and the short shipping times are much less than our competitors.

Laroda plums are highly sought after on some markets.

Changed prospects

In the 1989-1990 season, the industry reached a crisis following very poor out-turns of export plums in the previous year. Much of the fruit sent to markets was small and immature and was not meeting its requirements. Buyers perceived Western Australia to be unreliable suppliers of fruit of inconsistent quality. These perceptions arose from historical activities and experiences.

The industry was worried. The State has an ideal environment for growing high quality stone fruit and we are closer than many of our competitors to expanding markets in south-east Asia. Our growers were also increasing plantings of new varieties. This would increase the volume of fruit available for export, and extend the export season with new varieties. Export of plums had to succeed for growers to survive. At the same time, we could easily lose these markets.

The Stone Fruit Council resolved in 1990 to improve the State's performance in export plums. With the assistance of the Department of Agriculture and the Horticultural Export Development Council, it introduced a quality management system for selected export plum varieties. It also funded an on-going research project aimed at determining maturity indices for other export plum varieties.

The turn-around in plum exports since the Quality Management Program started has been outstanding. The program has improved the reputation of our plums. Importers are pleased with the product and are clamouring for more fruit, particularly in Malaysia and Hong Kong. Sales on the domestic market have also improved, and this market now competes strongly for fruit, particularly the larger sizes and newer varieties.
Exports

Western Australia is the major plum exporting State in Australia, accounting for more than 60 per cent of all plums exported.

The State's plum exports in the past ten years have fluctuated widely owing to seasonal factors (see Figure 1). With the exception of the 1988-89 season, export volumes have exceeded 1800 t since 1986-87, and the industry is becoming a consistent supplier as its production base increases.

The plum crop exported in the 1992-93 season confirmed that the State could be a reliable and consistent supplier. Although this crop was badly damaged by hail and suffered delayed maturity, quality was maintained with few exceptions, and volumes increased. The quantity of fruit exported also indicated that more plums are available for export.

Markets

Singapore

The State's export plum industry evolved in the 1940s to supply a relatively stable market in Singapore, which imports about 1000 t of plums a year (see Table 1). This quantity fluctuates, depending on our season, but has generally remained static.

Singapore operates as a free trade market and is an entrepôt for the south-east Asian region. Significant quantities of fresh plums are transhipped from Singapore to Malaysia, Indonesia, the Philippines and Thailand. However, Singapore's importance as a transhipping port will diminish with the freeing-up of tightly controlled trading practices in Indonesia and Malaysia, and as our exporters build good trading relationships with importers in these countries.

Table 1. Plum exports (tonnes) from Western Australia by destination since 1984-85

<table>
<thead>
<tr>
<th>Year</th>
<th>Singapore</th>
<th>Malaysia</th>
<th>Hong Kong</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>84-85</td>
<td>1242</td>
<td>391</td>
<td>91</td>
<td>10</td>
<td>1734</td>
</tr>
<tr>
<td>85-86</td>
<td>960</td>
<td>598</td>
<td>165</td>
<td>57</td>
<td>1780</td>
</tr>
<tr>
<td>86-87</td>
<td>1204</td>
<td>668</td>
<td>454</td>
<td>59</td>
<td>2205</td>
</tr>
<tr>
<td>87-88</td>
<td>1014</td>
<td>581</td>
<td>292</td>
<td>52</td>
<td>1939</td>
</tr>
<tr>
<td>88-89</td>
<td>562</td>
<td>230</td>
<td>197</td>
<td>23</td>
<td>1012</td>
</tr>
<tr>
<td>89-90</td>
<td>867</td>
<td>482</td>
<td>642</td>
<td>32</td>
<td>2043</td>
</tr>
<tr>
<td>90-91</td>
<td>1007</td>
<td>478</td>
<td>361</td>
<td>3</td>
<td>1849</td>
</tr>
<tr>
<td>91-92</td>
<td>915</td>
<td>573</td>
<td>417</td>
<td>42</td>
<td>1947</td>
</tr>
<tr>
<td>92-93</td>
<td>781</td>
<td>542</td>
<td>564</td>
<td>137</td>
<td>1964</td>
</tr>
</tbody>
</table>
Competition in south-east Asian markets and Hong Kong is increasing from other producers such as Chile, South Africa and the eastern States of Australia, and from other competing fruits such as citrus and grapes. With recent plantings in other States, especially New South Wales markets would like varieties to extend the season earlier and later than at present. The congestion of varieties mid-season is a marketing problem that the industry must plan to overcome.

Preferred varieties
All markets have their preferred varieties (see Figure 2), Stirling and Laroda being the most popular. The black varieties Friar and Black Amber are most popular in Malaysia and Hong Kong. There is growing interest in the new varieties Simka, Tegan Blue and Amber Jewel. Narrabeen continues to decline in popularity and Mariposa is only wanted in Hong Kong. Santa Rosa and Ruby Blood continue to sell well in some markets.

Market requirements
Market requirements for all countries in the Asian region are continually changing as the population becomes more affluent and exporters target higher income earners. All markets are highly discerning about the product, quality and fruit size. Fruit must have a shelf life in keeping with the marketing system operating in each country.

Each market requires medium-large, sweet, blemish-free fruit, and preferably red or dark red in Singapore, Malaysia and Indonesia. Black-skinned plums are gaining popularity in these markets, but are the preferred types in Hong Kong.

Taiwan, potentially a large market for our plums, does not allow imports of plums from Australia at the moment. This situation is expected to change soon because Taiwan now imports our peaches and nectarines.

Malaysia
Malaysia has become a significant export destination for plums direct from Western Australia, importing 500 to 600 t fresh plums each year (see Table 1). In 1992, Malaysia removed the import duty on plums shipped directly into the country and this has improved prospects for our export plums.

Hong Kong
Hong Kong is a significantly larger market for imported plums than Singapore and Malaysia. Although Western Australia under-supplies this market because we cannot meet its requirements for quantity and size, Hong Kong has become an important market for our plums in the past six years (see Table 1).

Other markets
Other markets for our plums include the United Arab Emirates, Mauritius, Brunei and Indonesia. These markets are relatively small, though our exports in the 1992-93 season increased significantly (see Table 1).

Indonesia lifted its trade embargo on stone fruit and replaced it with a 20 per cent duty in 1991, freeing up that market. Western Australia has targeted Indonesia as a potential new market, and research funded by industry started in 1992.

Fruit wholesalers unloading the first full container of plums shipped from Perth to Indonesia.
Wales and Victoria, our industry will come under increasing pressure in Asian markets. Preferred varieties and high fruit quality are essential for Western Australian plums to compete and expand their market in south-east Asia.

Quality Management Program

The stone fruit industry started a Quality Management Program in 1990-91 to improve the size, maturity and post-harvest handling of plums for export. The program has been adopted by the industry and its use has improved the market’s acceptance of and buyer confidence in Western Australian plums. All growers, main exporters and packing sheds participate in the program, which is supported and encouraged by importers and wholesalers in south-east Asia.

The success of the program relies on commitment by all sections of the industry.

- Growers must pick fruit at the correct maturity and follow ‘cool chain’ requirements and careful handling procedures.
- Packing sheds are responsible for the quality of fruit placed into the carton and for the maintenance of that quality.
- Exporters, in whose carton the fruit is marketed, must have checks in their operations that assure the out-turn quality of the fruit.

Picking maturity standards are based primarily on skin colour, flesh firmness and sugar content. These standards are contained in an Export Plum Quality Management Manual, which also emphasises correct cool storage and handling procedures. The manual is a result of an on-going, detailed, research program started by the Department of Agriculture in 1988 and partly funded by industry and the Horticultural Research and Development Corporation since 1991.

The stone fruit industry and the Department of Agriculture also produced a colour poster on export plum varieties. The poster was distributed to importers, wholesalers, buyers and supermarkets in south-east Asia. It provides technical and marketing support to the trade and promotes an awareness of Western Australian plums.

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The Quality Management Program is not complete without regular contact with the market place. Since 1990, the industry has paid for a Departmental officer to visit south-east Asia to report on the out-turn of Western Australian plums each season. This visit reports on the activities undertaken, the achievements and problems that arose during the season, and suggests recommendations for the future. It is an integral part of the Quality Management Program and contributes to the development of long-term personal relationships between importers and Western Australian growers.

Figure 2. Plum sales to various destinations, 1992-93
Preliminary data obtained from Australian Quarantine and Inspection Service.