

Paper 13

PEA EXPORTS FOR SEED AND COMMODITY

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INTRODUCTION

Peas are a major source of cheap protein for sustaining life in all forms in most areas of the world. India, for example, consumes almost 17 million tonnes of peas and other pulse crops annually. Of this total, 11 million tonnes are produced in India, leaving a net import requirement of 6 million tonnes. New Zealand production of dry peas (45,000 to 50,000 tonnes) is very small, to say the least, in relation to total world production (Table 1). Production in New Zealand is influenced to a very large extent by supply and demand, which directly reflects in the prices paid to growers. The better the price, the better the inducement for growers to plant peas.

The export marketing of peas is an interesting task, although at times very frustrating and arduous due to problems not of our making, such as fluctuations in the New Zealand dollar, importing countries' tariff regulations, world weather patterns, communication in foreign languages and negotiation of workable freight rates with shipping companies whose overseas principals still look on New Zealand as a "colonial" outpost and worthy of milking dry.

In the invitation I received to deliver this address, I was asked to give information on marketing and prospects, which I was told would be of great interest to the audience of farmers, advisors, researchers and seed industry personnel. I will consider separately garden pea seed, field peas by type and split peas, although I do not think my employer would relish the idea of me giving too much marketing information away.

GARDEN PEA SEED

New Zealand's garden pea seed export business is relatively stable, with exports for the last three years at around 8,000 tonnes per year. It is the most specialised part of our pea export business, calling for the highest degree of excellence in all facets of the marketing process, from the production of basic seed stock through to delivery of the product in a sound, fit, marketable condition. The product must be of the highest varietal purity, have good germination and vigour, and comply with the client's requests in regard to freedom from diseases such as *Ascochyta* and *Pseudomonas pisi*.

Table 1. New Zealand dry pea exports (field, garden pea seed and split) 1981 to 1984. (Year ended 30 June, Source: N.Z. Statistics Department).

Year	Quantity (t)	Value (\$NZ 000 f.o.b.)
1980/81	44,262	\$13,100
1981/82	32,399	\$13,381
1982/83	38,832	\$16,901
1983/84	41,531	\$18,525

The consequences for any exporter who does not pay attention to these requirements can be dire, to say the least – one container of seed is enough to sow approximately 66 hectares of vining or canning crop, and if this crop does not perform to expectations, the cost of compensation to the overseas grower and cannery concerned for loss of production are enormous. Most exporters will testify to this, as I am sure that all have, at one time or another, been faced with claims of this nature.

Exporters must carry large stocks of over 20 cultivars of garden peas, isolated from each other and in a marketable condition. These stocks, which are held for ten months on average, must be kept with current tests so that they can be packed and shipped at short notice and conform to buyers requirements. This, in itself, is a task which requires the utmost attention to detail, and is not for the faint hearted.

The advent of proprietary marketing of garden pea cultivars has added further responsibilities to merchants in the past few years.

Prospects for garden pea seed exports took a turn for the better in July 1984 when the New Zealand dollar was devalued. This made New Zealand one of the cheapest producers in the world and is reflected in the increased acreage of garden pea seed being sought by merchants for harvest in 1986.

FIELD PEAS

Field peas are by far the largest volume pea export from New Zealand. For the year ending June 1984 exports totalled 32,067 tonnes for a FOB value in excess of \$NZ12.4 million.

There is no doubt that 1985 was the "year of the pea" — from both growers' and exporters' points of view. The good harvesting conditions in Canterbury resulted in a crop of excellent quality in all respects, and the task of marketing a product is obviously much easier if the quality is of a very high standard.

The effect of drought in many areas of the world had, by harvest time in New Zealand, taken up much of the surplus stocks of peas and beans held in the northern hemisphere. This meant that a lot of New Zealand's field pea production was moved in the first six months of 1985, giving growers and exporters the confidence to plant increased acreages again in the 1985/86 season. We should, however, keep in mind the huge quantities of peas and beans beginning to be produced in EEC countries on inducement.

The 1985 northern hemisphere harvest could produce 1.7 million tonnes in the EEC alone, and already exporters are feeling the effects of this production cutting into their traditional markets.

Maple peas

The complete New Zealand crop of high quality maple peas is exported all over the world, mainly for use as a pigeon food. Nowadays, most of the crop is exported in a farm dressed state, in bulk containers. The buyers, particularly in Holland, Belgium, and the United Kingdom, prefer to import in this form directly to their own plants for cleaning and mixing with other peas and grains such as maize and wheat, and marketing in small attractive packs to the pigeon fancier.

The area of maple peas in New Zealand has decreased markedly over the past three to four years, mainly due to the low returns obtained by growers and exporters alike. 1985 saw a turning point as most of the crop harvested from a very small area was sold by the end of March. This has, of course, brought a flurry of interest back to maple peas.

Prospects for the 1986 harvest look bright at this stage. However, caution should be exercised in planning any further large increases in area as the market could reach saturation point very quickly, resulting in another cycle of decreasing acreage.

Blue peas

New Zealand produces both Blue Rondo and Prussian type blue peas for export. These types are traditionally exported to countries such as India, South Africa, Philippines, and South America, where the main competitor is the USA. Therefore prices obtained are very much in line with the American market. In 1985 for example, American production of Alaskan types was down 23% in area and conditions were anticipated to give a decreased yield. This resulted in the early clearance of the New Zealand 1985 production, mainly to the Indian market as they anticipated higher U.S.A. prices later in the year. Blue peas must be of top quality, in particular colour, to compete with the American product. New Zealand has tightened the grading specifications on blue peas from 1 January 1985, and this has resulted in better returns for growers and exporters alike.

Blue peas are generally sold on the local markets, almost entirely on "eye appeal", so much so that the top selling American varieties bring premiums in excess of US\$20.00 per tonne. Top American brands such as Rumba and Heartbrand are well known, particularly in the Indian market, and are attractively packaged in bright three and four colour stencilled sacks, proclaiming their good quality, — buyers are well aware that if they buy one of these brands the quality in the bag will be consistent. This has been a failing with New Zealand products in the past, but recent experience has shown that New Zealand peas are starting to get greater recognition in the market place, as exporters are paying much more attention to quality and presentation of the product, which is resulting in good sales.

It is predicted that the 1985 trend for demand of New Zealand produced blue peas will continue through the 1986 harvest.

Marrowfat peas

Most of New Zealand's production of marrowfat peas is exported to Japan, Malaysia, Thailand, Singapore and Indonesia, where they are used in confectionery and snack foods. Quality is the number one criteria in regard to marrowfat peas.

The buyers expect and must get, large, even-sized peas of unbleached green colour. New Zealand markets three grades of marrowfat peas — premium grade, which has a maximum bleach factor of 5%; No. 1 grade, which has a maximum bleach factor of 10%; and FAQ grade which has a maximum bleach factor of 20%. It follows, of course, that the premium grade brings the premium price to both exporter and grower. The FAQ market is limited mainly to the local compounding trade, as overseas importers do not have large outlets for this type of commodity.

One of the biggest criticisms of New Zealand marrowfat peas from international buyers is that they tend to be very hard after cooking. Crop Research Division of D.S.I.R. is carrying out some research on behalf of exporters to determine what causes this problem.

The most common process use of marrowfat peas exported from New Zealand is to make a snack food similar to a salted peanut. The peas are soaked in water for approximately 8 hours, in some cases dipped in a green dye, cooked in very hot palm or peanut oil for 15 to 20 minutes, then centrifuged and salted, and sold in small cellophane packs. In some areas of Asia they are also canned for sale as a vegetable.

Prospects for marrowfat peas for 1985/86 look good at this stage, although much is in the hands of the Japanese who issue import quotas dependent on availability of product on the local market. We should, however, remember that this market for marrowfat peas is not insatiable — exporters have found in the past that it is quite easy to produce more than the market can handle.

White peas

The area of white peas produced in New Zealand has continued to fall over recent years, mainly because of high

prices compared to some northern hemisphere producers. A large proportion of our production is therefore used in the local splitting trade, destined for soup mixes and the like. The balance is exported to Asia and to South Africa, a country that controls pea imports by quota.

Split peas

Production and export of split peas in New Zealand varies markedly from year to year (see Table 2), dependent on demand and prices obtainable in the market place. The main pea types used for splitting in New Zealand are Rondo, Maple and White Prolific, and they are exported to Australia, Asia and the Middle East. In 1985, international

Table 2. Split pea exports from New Zealand 1982-1984
(Source: N.Z. Statistics Department)

Year	Quantity exported (t)
1982	743
1983	2,257
1984	1,457

sales of split peas will probably be at a low level because unsplit peas have been commanding a good price. In particular, the New Zealand product is uncompetitive with Australian split peas in the Middle Eastern market. It is anybody's guess what the market will do in the next twelve months.

SUMMARY

I trust that this has given you a small insight into the mysteries of exporting dry peas for seed and commodity purposes. We have an unenviable task as exporters, as in New Zealand unlike anywhere else in the world, we endeavour to export almost all that we produce. Local usage is restricted to split peas for soup and protein pea seconds and undergrades from cleaning plants for the stock food industry. We must continue to remain alert to all trends in production techniques, new cultivars and new markets elsewhere in the world, and produce and package only the very highest quality peas. If this is done New Zealand will remain the best producer and exporter of quality peas in the world for many generations to come.