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Australian Prune Industry Situation

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Chairman Philippe, Official Guests, Delegates and Visitors.

Thank you for the opportunity to visit France again and for your warm welcome and hospitality.

It is my pleasure to again report to you on the present situation within the Australian Prune Industry.

The Australian industry has taken a bit of a battering in recent years because of a variety of reasons. Both grower and packer numbers have diminished quite a lot however at the same time the potential production of prunes is steadily increasing. This increase is due to existing and new large growers and one packer who have increased their production capacity significantly.

The 2009 season crop in Australia has been very light due to various seasonal conditions. Hot weather at bloom time and storm and hail activity later in the season were the main problems however a heat wave at the commencement of harvest which caused a heavy fruit drop in some areas, did not help the situation.

Fortunately most packers had some carryover stocks and arrangements have been completed to acquire additional supplies to secure the needs of the industry for 2009

As you would know Australia has been under severe drought conditions for a number of years now. This has had a considerable impact on the Australian prune industry and has resulted in a large scale shift from dry land prune production to irrigated prune growing.

Thirty years ago the town of Young, the most easterly producing area in Australia, was arguably the major producing area. Young was at that time largely a dry land producing area. Young was closely followed by the Murrumbidgee

Irrigation Area in central New South Wales and the state of South Australia was next. As production declines from Young and South Australia, production from the Murrumbidgee Irrigation area centred on the city of Griffith is expanding and also the State of Victoria is starting to increase production.

In 2010 if we receive good crops the breakup of production is likely to be 80% from the Murrumbidgee irrigated area, 13% from Young and 5% from South Australia and probably 2% from the state of Victoria

The story has not all been negative and it is satisfying to note that during the years of drought the potential gross production of prunes has been increasing every year. The reason for this has been that farmers in the irrigation areas have been looking for better returns from their water allocations and many have made the switch from rice production to prune production. This has extended the boundaries of the prune production area towards the south and into the state of Victoria.

The need for the Australian industry to rationalize its operations coupled with drought and general economic conditions has seen a reduction in the number of major packers from 10 in 1970 to three in 2009. Each of these packers undertakes contract packaging for some of the smaller and niche market suppliers.

It is interesting to note that there is not a packer located in the major production area and this is something that will need to be rectified in the coming years.

The market for prunes in Australia has remained positive and consumption is increasing at a rate that is keeping pace with population growth. Consumers are moving towards a preference for pitted prunes over whole prunes and the bulk of demand is for ready to eat prunes. Consumers in Australia, like most western countries want to buy foods that require a minimum of preparation and are prepared to pay a little extra for ready to eat pitted prunes or prune by-products.

Modern communication and transport systems has meant that the whole world is now the market place and when needed, Australian packers are able to supplement their stocks by purchasing from other producing countries.

The forecast potential production from Australia for 2012 has been dealt a blow by the impact of the drought and has been revised downwards for now although the forecast 2012 production is likely to be achieved by 2016 provided the weather patterns return to normal...

The outlook for the Australian prune industry is positive and grower confidence in the product is generally high. In the future the trend is likely to be towards larger farms but less individual producers.

Thank you for your attention.