



International Prune Association

Twelfth World Congress

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Australian Presentation



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CURRENT AUSTRALIAN PRUNE INDUSTRY SITUATION

Mr Chairman, Delegates and Guests.

It is my pleasure on behalf of the Australian Prune Industry Association to present this report of the current situation within the Australian Prune Industry.

Delegates who visited Australia for the 2004 IPA Congress will be aware that Australia has been experiencing a prolonged period of drought with the 2003 - 2004 season being recognized as the worst drought in the recorded history of Australia. We are very pleased to advise that the drought appears to have finished and most of Australia is experiencing average to above average rainfall in 2010.

2010 SEASON HARVEST

An excellent crop was grown across all regions of Australia in 2010. Unfortunately the crop was ruined in two of the marginal producing areas due to too much rain just prior to and during the harvest period. Approximately six inches or 150 mm of rain was delivered in two separate falls with the first fall causing some splitting of fruit and the second causing fruit to drop and also some fungal disease problems. This only affected the Young area and the northern Victorian producing area.

In the major production area around Griffith, there was some fruit loss but generally a large crop of good quality fruit. Total dry production was over 4,500 tonnes and indications are that if the weather was kind to us that a potential exists for a total crop of about 6,000 tonnes.

GROWERS

Our growers have taken a battering over the past 10 years and many have left the industry. In the Young District the extended drought has taken its toll and trees are still dying, this year saw many more orchards removed including about half of our own orchard. In most cases the orchards will not be replanted at Young due to an uncertain future water supply coupled with relatively low production potential per hectare. Rightly or wrongly, my brother and I have decided to replant our orchard and we have already commenced to do so, however I think we are the only growers at Young who are replanting.

In the Murrumbidgee Irrigation Area around Griffith new prune trees are just coming to full production. Uncertain future irrigation allocations and the risk of permanent water supply cutbacks are important issues for this area and many growers have converted from flood irrigation to more efficient methods such as trickle irrigation to reduce their water requirements.

STATISTICS

Our industry has finally been able to conduct a tree count and accurate production area survey. The figures are quite different to those which we have been estimating for some years. However it must be noted that there have been huge changes in

recent years and there are less than half the number of growers that were in the industry just ten years ago. The potential is there to produce about double the tonnage of ten years ago also.

Newer orchards, better production methods and new harvest equipment has meant that more fruit is now being produced per hectare.

MAJOR PROBLEMS FACING GROWERS

The single most important issue facing Australian growers is controlling production costs in the knowledge that significantly increased returns from packers are unlikely.

Dehydration costs are uppermost in this area of concern. A Research Project aimed at reducing the costs of dehydration has just been concluded. A small number of growers have installed new equipment to assist in lowering costs and it is hoped that others will adopt the new technology quickly.

PACKERS

Eighteen years ago there were eight packers in the Australian Prune Industry, today there are three.

There are two smaller packers one specializing in Organic prunes and the other targeting niche markets where a higher return for a high quality product can be achieved.

THE MARKET FOR PRUNES IN AUSTRALIA

The market for prunes in Australia remains very positive. Per capita consumption has risen a little in recent years. No recent data is available to support our figures of a per capita consumption of prunes in the vicinity of 275 grams of prunes per year however our total annual production and sales supports this figure. When manufactured product is included in total prune sales, the average figure becomes closer to 300gms per person.

Supermarket sales remain the major outlet for prunes in Australia however a significant tonnage is taken by institutional buyers such as hospitals, prisons, nursing homes, hotel and other accommodation venues and caterers also cruise ships.

Sales of prunes on the Australian market have shifted quite rapidly over the past four years from being predominantly whole prunes with the 'pit' or seed in to being largely pitted prunes. This has been helped along by a strong presence of imported bulk pitted prunes on the Australian market.

Demand for prunes as a food ingredient has also increased over recent years. These products are not new, product such as prune puree, prune pieces and prune juice. An increasing trend towards preparing the product to the individual customers specification is emerging and this continues to create different product lines within the one product.

The market for single strength prune juice in Australia seems to have peaked and this demand is presently serviced by about six manufacturers. Most of the Prune juice is produced from imported concentrate.

A steadily increasing market for organically produced prunes exists in Australia with a number of growers and all three packers now involved in this sector.

Australia exports a very small amount of its annual prune production, mainly because our total production barely covers our domestic demand and therefore does not leave much to spare for the export market.

PRUNE PRICES

Like prune producers the world over, Australian growers would like to see returns improve. There has been no significant increase in grower returns for a long time.

The price issue can be echoed at the packer level with Australian packers taking no significant price increases for many years.

MARKETERS

There are three major marketers of Australian produced prunes. There are also a number of small marketers each servicing different market sectors. Competition is keen among the marketers and margins are small however the market would have to be described as stable.

Thank you.

 Australian Presentation – 2010 IPA Congress
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South Africa & Australia share a passion for Cricket, Rugby and, of course Prunes.
Unfortunately New Zealand and India are challenging our position with Rugby and Cricket at the moment
so let's just concentrate on Prunes for today...

Australia

Many orchards have been removed at the town of Young because of effects of drought and the age of the trees.



Some new plantings – mostly around the irrigated region of NSW near the city of Griffith



Cost of Production and low returns is one of the major concerns of growers in Australia.



