



International Prune Association

14th World Congress

Canberra Australia

5 November 2013

Australia



Presented By:

Jeff Granger

Delegate Representing

Grant Delves

Chair

The Australian Prune Industry Association Inc

2013 - AUSTRALIAN PRUNE INDUSTRY SITUATION

Mr Chairman, Delegates and Guests.

On behalf of the Australian Prune Industry Association this report outlines the current situation within the Australian Prune Industry.

This year I'm sharing the presentation with Grant Delves who is Chairman of the Australian Prune Industry Association.

Australia has experienced a large reduction in the number of prune growers in recent years to less than half the number of growers. The traditional dryland production areas have been decimated and the majority of production now occurs in the irrigation areas.

The total potential prune production from Australia has not been reduced and has in fact increased due to significant new plantings in the irrigation areas.

I have to keep reassuring myself that in the dry areas we can still grow a crop of good prunes which is why I keep using this picture in my presentations.

In 2012, the Irrigation areas were flooded during the prune harvest.

The 2013 crop was reasonable with good size and quality in most areas.

The challenge has already been issued for the 2014 season harvest with widespread frost damage occurring during October, just a few weeks ago.

The frost damage is 100% in a number of locations at Young and varies to nil on hilltops. The frost has also taken out vast areas of wine grapes, cherries, peaches, plums and grain crops such as Canola and Wheat. Griffith has not been spared either and Grant will speak more on this shortly

In some areas trees were completely frozen and are now defoliated.

MAJOR PROBLEMS FACING GROWERS

The most important issue still facing Australian growers is the cost of production of dried prunes

Poor returns from packers and competition from imported product have impacted heavily on grower profitability and confidence.

The problem is not just with prunes however, most fruit varieties are reporting similar problems.

The recent short crop in California is having an effect on the Australian market also with short supply for importers but on the positive side the market price for prunes is moving upwards and this can only be good for Australian growers.

Let's hope that the world price for prunes increases in all markets so that the industry returns to its' former levels of prosperity.

PACKERS

There has been no significant change in the number of Australian packers since 2010, with two large packers, one medium sized and two smaller packers.

The main Brands are here on the screen and the next slide gives an indication of market share.

THE MARKET FOR PRUNES IN AUSTRALIA

The market for prunes in Australia remains very positive. Per capita consumption seems to be remaining static, having risen a little in recent years.

Sales remain primarily by supermarkets however Food Service sales are increasing. Both supermarkets and Food Service customers are sourcing prunes from Australian suppliers and from suppliers of imported prunes, based solely on price.

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

MARKETERS

There are three major marketers of Australian produced prunes and a number of small marketers as well as several Importers who now supply a significant portion of the Australian market. Some of these importers can be very damaging to the market price by constantly cutting prices to gain sales and thereby affecting returns to the industry packers who are promoting the product and attempting to see better returns for both themselves and growers.

The market demand for prunes is generally steady.

There have been some unusual market glitches during 2013 mainly surrounding unexplained drops in demand for grocery products generally in May/June and again in August.

Here in Australia we wanted to blame our politicians for calling an election 6 months before the due date and creating uncertainty with buyers who chose to reduce stock levels with a subsequent flow on to suppliers. This slow sales situation is still apparent although it is probably more evident in the Food Service market than in the Supermarket sales sector.

ADVERTISING/PROMOTION

The Australian Prune Industry Association is still undertaking low key promotion activities. The campaign has been aimed at raising consumer awareness of Australian prunes.

There has been no increase in sales as a result of the campaign partly because of poor production levels of prunes.

Individual packers are conducting their own promotion campaigns with varying degrees of success. Some new packaging concepts are also appearing.

The industry maintains a Facebook presence with a moderate following.

THE FUTURE OUTLOOK

If market prices continue to rise and a return to regular, good, average crops with adequate financial returns to growers can be achieved then the future is good.

It is quite likely that most of the non-irrigated production area will disappear in the coming years. We have to discourage the greedy approach to production that results in over production.

I think this attitude is being echoed in other producing countries.

IN CONCLUSION

Finally, this will be my last presentation as the Australia delegate to the IPA. A replacement will be announced at the dinner in Griffith on Thursday evening. I've thoroughly enjoyed my years with the IPA and have made some very good friends both personal and business whom I will value and respect all my life.

Age is catching up with both my brother Jim and (to a lesser extent), myself and we will be looking to scale back our operation soon. Our business is 94 years old and has been in the family since it commenced in 1919. We are the third generation.

Jim and I have been partners in the business since 1973, that's forty years ago and a long time to have remained partners and friends which is probably the only reason we are still operating. For the past 15 years it has been more of a hobby to us than a profit making centre and we can't continue under that arrangement.

We have been cleaning out our parents home to prepare it for market and the following photograph of the two of us appeared in one of Dad's desk drawers. It may well be the last time the two of us had our photograph taken holding hands. It was taken 61 years ago.

Thank you for your attention and I'll pass over to Grant now.



2012 International Prune Association Congress

CANBERRA, ACT
Australia
05 November 2013

Australian Prune Industry Situation

Jeff Granger









