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FOR IMMEDIATE RELEASE

World Market Crisis Impacts U. S. Prune Growers

YUBA CITY, CA May 13, 2009 – Prune growers gathered today to discuss the world market outlook on the occasion of the 41st anniversary of the Prune Bargaining Association. The global credit crisis has disrupted normal export channels at a time of increasing production from South America and heavy crops around the world. Growers learned that small prunes will have little to no marketability and crops should be thinned now to improve fruit size and avoid economic loss.

According to Greg Thompson, General Manager of the Prune Bargaining Association, buyers in some of the world’s key export markets such as Russia were unable to secure credit and sellers had no choice but to divert the prunes to other markets where the extra supply resulted in a glut of prunes. “Price have dropped 20% and some of the major markets remain offline,” says Thompson. “Combine that with heavy crops around the world and it is easy to see that we are in a very different situation when supply was limited and California was the predominant supplier. In the past we could negotiate a price for growers in California that would be reflected in the world market. With over 100,000 tons of supply in South America, we don’t have that advantage.”

When supplies exceed demand, buyers become more selective in what they buy and California packers expect that the market for prunes this year will be limited to the most useful size range of fruit—generally from 40 to 75 prunes per pound. “We have seen this same type of situation in walnuts,” explained Richard Wilbur of Wilbur Packing. “When the market is bad, buyers only want the very best product—prunes smaller than 75 count will have a very limited market this year.”

In general, heavy crops result in small prunes, but California growers have learned how to mechanically thin the fruit set by shaking the trees in mid-May to adjust crop load. Doing so reduces stress on trees and improves next year’s crop. Growers are strongly encouraged to measure their crop loads and reduce fruit set where needed. “This needs to take place now,” said Franz Niederholzer, UC Extension, or they will lose the opportunity for better fruit size this year and a better crop next year.’

The Prune Bargaining Association was formed in 1968 as a grower-owned cooperative to improve the economy of the California prune industry, encourage the production of a quality product and provide a forum for growers to exchange ideas regarding the industry. The PBA establishes the industry’s raw product price for prunes.