

US prune producers have coped well with Covid-19 challenges

Featured 20 Nov 2020 - Food and Agricultural Commodities | Headline Analysis - United States
Exports, Prices, Supply, Demand, Production, Weather, Stocks

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- **More difficulties at processing stages than harvesting.**
- **Covid prompts consumption upturn.**
- **US crop smaller, but quality and sizing are excellent.**

The US prune industry has come through the difficulties of 2020 relatively unscathed.

US prune producers taking part in a panel discussion on Tuesday acknowledged that there have been many difficulties, but remained positive about the overall volume of sales and the prospects for further growth.

The discussion was chaired by Donn Zea, executive director the California Prune Board (CPB), and formed part of the INC (International Nut and Dried Fruit Council) Online Conference.

Zea posed the question: "How has the pandemic affected you as a prune grower and the industry in California?"

Joe Turkovich, owner and operator of Joe Turkovich Farms responded: "The impact has been less on the farm because we are able to separate our workers in the field and easily keep them distanced. That part wasn't a problem. Where I saw the most issues were related to harvest. We were dealing with these fires in California and smoke in the valley, a lot of heat, and on top of that having to wear masks to protect ourselves from Covid. That was high anxiety during harvest, but we got through it. Where it was more problematic was the processing plants. At times they had to shut down and they couldn't staff 100%. I see this as raising our production costs this year."

John Taylor, vice president of Taylor Brothers Farms, explained: "Our focus was trying to keep everyone healthy so we could get through harvest and maintain health in our processing plants so we wouldn't get shut down for a couple of weeks."

Taylor added that with consumers forced to stay at home there was more home cooking taking place and prunes were of interest as a shelf stable product.

Nick Micheli, owner of prunes and walnuts producer Micheli Enterprises in Yuba City, California, recalled that one of the measures was to restrict access to essential personnel in the office, shop and other facilities, along with wearing masks and practicing regular hands sanitisation.

Zea noted that for those not exposed on the foodservice side, the pandemic has presented an opportunity to share more product with more people, and promote the benefits.

"That is certainly the case with prunes," he observed. "From a healthy eating standpoint, people are looking for ways to improve immunity and generally stay healthy. Being at home a lot, they are getting more innovative and creative with their cooking. It has been a great opportunity for all of us to contribute to their wellbeing and health. Hopefully that all carries through once we are on the other side of this pandemic."

Consumption boost

Elaborating on these points to IHS Markit, Zea explained: "Overall sales growth of California prunes has been sustained as consumers continue to trend towards purchasing enjoyable, healthy foods to support immunity, maintain ample supplies shelf-stable snacks and look for new recipes to cook and bake at home."

General reports from handlers reflect continued retail strength in the US domestic market (up 14% in an earlier report).

Zea noted that in the latest three months (July-September), global exports have grown by +6% (versus the same period last year)

In the same period, key markets around the world have all seen sustained growth (versus the same period, year-on-year), including: Japan (+20%), Canada (+31%), Italy (+5%), China/Hong Kong (+29%) and the UK (+244%).

Forms of consumption

The CPB recently completed a global (key markets) survey on end uses of prunes, which included three key findings:-

Roughly half of research respondents enjoy prunes as a snack.

Around one-fifth of people use prunes as an ingredient in baking and desserts, though this is higher (four in 10) in China.

A growing area around the globe is for consumers to add prunes to their breakfasts (whether that is a bowl of cereal, oatmeal/porridge, granola or muesli), with consumers in China and Italy leading the way.

The CPB feels that it has been effective in marketing prunes as a snack but sees further opportunities to promote the health and versatility of the dried fruit.

Smaller crop

This year's US crop is lower at around 45,000 tonnes. In addition, production was inconsistent, depending on the region. However, quality and sizing were excellent.

Micheli confirmed that he had seen inconsistencies from orchard to orchard. One of the benefits of this was that it took less time to size the fruit, he noted. With the larger sized fruit this year, sugar content was higher.

Taylor remarked: "Even though we had a short crop we had good sizing. We were cleaning it up in the field, getting a better product going into the dryer, which brings more consistency in our drying because our sizes are more even. The sugar quality was exceptional this year. We were picking at 27-28 brix at the start. By the end of the season we were closer to 32."

Turkovich observed that consistent sunshine is something he can count on every year.

"In general, the crops in my area were down from maximum," he added.

Turkovich noted that in recent years there is more consistency among the larger sizes.

Zea pointed out that size ranges is a top priority for the US prunes industry, which is known for its medium and large size prunes. "Inventory management is also something which we take very seriously, so that when we do have a short crop the challenges to the marketplace are kept to a minimum so our trading partners can still get what they need from us," he added.

Highly regulated

The stringent regulations in place in California were also discussed.

Micheli commented that in addition to the ongoing influx of new regulations California is subjected to the rising minimum wage each year. On occasion, Micheli Enterprises has had to hire additional staff or delegate duties in order to keep pace with new regulations or enlist a consultant to ensure it is doing the best it can in this regard.

On the environmental side, Micheli Enterprises works closely with the California Agriculture Department to ensure it is compliant and its workers are trained to handle chemicals etc.

Turkovich observed that the so-called cooperative extension system undertakes research at university level which is intended to benefit the public interest and assist growers. This information is disseminated to growers, often resulting in field trials. "We're always a few years ahead of the other countries in terms of not only understanding what we're doing but making sure it is safe for the public at large," he claimed.

Zea added that the CPB in partnership with the Safe Food Alliance takes the issue of maximum residue levels very seriously. "Prunes have a remarkable success record in terms of maintaining a level on MRLs that is kept to a complete minimum," said.

Research-driven growth

Turkovich noted that one of the key research areas of benefit over the years has been in identifying those insects which can be used to attack crop pests, thereby eliminating the use of some chemical sprays.

"We're continuing to lead the way in terms of plant breeding," he added. "I don't know that anyone else has an active prune breeding programme. We're hoping that some day we'll be able to generate some really interesting new varieties for the tree."

Turkovich explained that his company's research has migrated from what was primarily field research to aid the grower to more of a leaning towards public interest in terms of food safety, environmental and work safety.

Nutrition research

Micheli singled this out as particularly beneficial.

"We truly believe that the prune is a superfruit. As we go into the future it's going to be exciting to see the consumers realise that as well as more of these studies come out," he said.

Taylor remarked that the US prune industry has pumped heavy investment into nutrition research over the last 20 years, along with global advertising and promotion.

"As an industry we are always reaching out and promoting ourselves and guaranteeing that supply chain will be continuous for the quality that goes forward. There is a lot of research that is bearing fruit for the industry as a whole," he added.

Zea commented: "Certainly in the US and other select places around the world, the key really is getting a prune in someone's mouth and letting them enjoy the flavour and consistency of a California prune. So bringing new consumers into the fold and letting them experience what we all know so well is critical to the future of prunes in general and certainly California prunes."

Distinctive properties

Zea asked the panellists for their summary of what sets California prunes apart from those of its competitors.

Taylor said this was down to the product's flavour profile, consistent quality and value addition.

Micheli cited the abundant sunshine and water in the Sacramento Valley of California, nutrient rich soil and stringent food safety laws.

Turkovich highlighted consistent quality and effective inventory management as key factors, along with good global promotion of the quality attributes as well as nutritional aspects.

Potential policy changes

With the US now set for a change of Administration under newly elected president Joe Biden, the potential exists for policy shifts which could impact trade.

Zea told IHS Markit: "The obvious place to look for changes might be China, and whether tariff structures on agricultural products return to previous levels. If so, you might see a robust uptick in trade, including California prunes."

The CPB will also be watching development of a trade deal with the UK and how it might build on the discussions already under way.

"In general, of greatest concern to many in agriculture is the direction of significant climate policy initiatives, and how a Biden Administration will address the trade implications of the EU's Green New Deal as well as the potential for one of its own. As currently proposed in concept, further prescriptive regulations that increase production costs and add roadblocks to trade will absolutely lead to less food choices and escalating food prices around the world," Zea added.

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