

Dried fruit prices soar to a 10-year high as Clyne throws down the gauntlet...

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\$1800/t for 5 crown light

CLYNE Foods has thrown down the gauntlet to rival processor Sunbeam Foods, offering the highest dried grape prices in 10 years.

The Warracknabeal-based processor is offering sultana growers a minimum of \$1800 per tonne for five-crown-light fruit this season.

Last year, growers received around \$1280 per tonne for similar quality fruit.

Clyne Foods prices have risen between 10-15 percent across the range of grades and varieties.

General manager Norm Clyne said the price hike followed an intense two-week consultation period.

"We went around and spoke to every individual grower and that gave us the information we needed," Mr Clyne said.

"We were asking them about their situations, what they're facing this year."

Mr Clyne said the consultation with growers and the decision to release prices so early in the season had enabled farmers to decide whether to go ahead with their crops.

"Most important was to keep growers in the business in a very tough and trying year," he said.

"We probably saved 1000 tonnes of fruit which otherwise wouldn't have made it to production."

While the increase in prices has helped growers, it will mean added challenges for the processor's bottom line.

"It puts some marketing pressure on the company going forward," Mr Clyne said.

"The drought's widely known. We're telling our markets to expect higher prices because of the drought."

Meanwhile, Clyne Foods will continue to expand its operations.

"This year we've taken on another 12-16 growers, which we're quite happy about," he said.

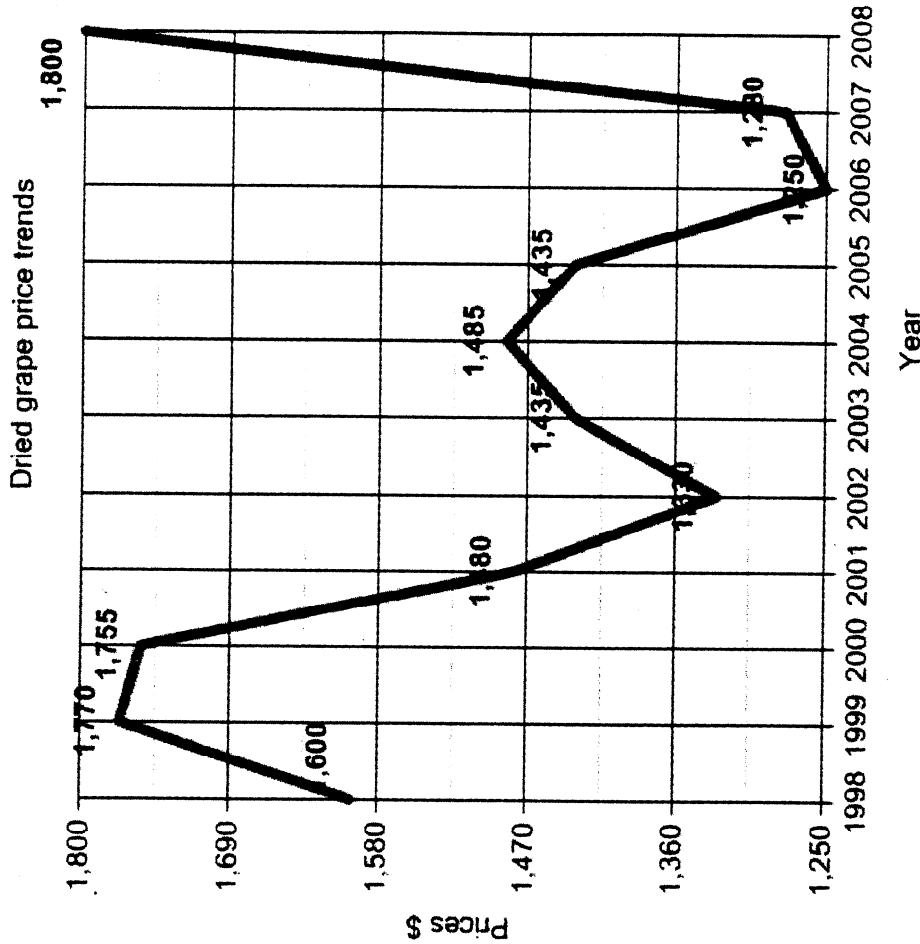
"We would like to take on a lot more."

Both Clyne Foods and Sunbeam Foods have responded to the ongoing drought and cuts to water allocations with early indicative prices this year.

Sunbeam Foods, which released its latest round of indicative prices late last month, the highest in seven years, said it would continue to review prices as the season unfolded.

The Australian Dried Fruits Association has welcomed the price increases, but is concerned the increase will be eaten up by water purchases.

"Dried grape growers are paying the equivalent of \$800 per tonne for water, so at this stage we're no better off than last season," ADFA chairman, Peter Jones, said.



• ON THE RISE: Dried grape prices are on the up and up as processors offer the highest prices in a decade.