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Tonnages go nuts, driving export era

Australia's shooting almond crop has surpassed domestic consumption increasing industry's focus on export markets. **SHAY BAYLY** reports

WHILE the past growing season has been one most horticulturalists would rather forget, it may be one the Australian almond industry will reminisce in years to come, as a time when the export market began to blossom.

The national harvest looks set to leap last season's tonnage by a whopping 46 per cent, with an estimated 23,500 tonnes (kernel), and an associated \$150-million farm gate value.

This is the result of young trees maturing and coming into production, and favourable weather conditions leading to a 20pc crop increase in mature trees.

"Up until now we have exported by choice," Almond Board of Australia chairman John Bird said.

Shooting supply will now see a need for Australia to look to overseas markets.

In 2006 it produced about 16,200t of almonds, which almost matched domestic consumption.

About 30pc was sent offshore.

Mr Bird expects exports will reach 50pc during the next few years with an ongoing increase in production and plantings.

"Australia is world competitive in both costs and quality allowing us to compete effectively in global markets," he said.

"We can get into most markets with freight.

"Our main export markets will be the Middle East, Europe and Asia."

Nut Producers Australia, which markets its produce under the Riverland Almonds brand, already exports 40-50pc of its tonnages.

One of three major handlers of almonds in Australia, NPA is forecasting 4500t of almonds this season, a 20-30pc rise from 2006.

But despite increased production the company is focussed on maintaining its domestic/export market ratio.

"We would like to keep the same percentage of domestic and export markets into the future," NPA chairman David Crawford said.

"There is a slight advantage in selling in the domestic market with freight, insurance, and agents fees involved in exporting.

"It's a lot easier to satisfy customers locally than 10,000 kilometres away."

Australian plantings have increased five-fold in the past eight years, from about 3650 hectares in 1999 to more than 19,000ha in 2007, which is expected to produce more than 50,000t of almonds by 2012.

Almond trees take about seven years to reach full production.

Last year ABA estimated that 55pc of Australia's almond plantings were non-bearing.

Mr Bird says consumption growth is vital for the Australian industry.

Global consumption has grown rapidly in the past several years, with growing awareness of health benefits and a shift by consumers toward natural foods.

California produces about 80pc of the world's tradeable almonds, effectively setting prices for the remainder of the world.

This means a jump in Australian production will not affect market prices and grower returns.

"Prices are a function of world

supply," Mr Bird said.

"Californian supply sets prices.

"We can increase plantings but not impact on world supply and remain competitive."

Grower returns have been quite favourable this season, sitting above the historic average.

ABA executive officer Julie Haslett says the South Australian percentage of the national crop is dropping as Victoria dominates Australian almond farming expansion, but SA yields are still increasing.

More than 80pc of Australia's plantings in 2006 took place in Vic, where River Murray water allocations are 95pc.

Omega Orchards in the Riverland had planned to further increase its plantings this year but 40pc water restrictions have put a halt on development.

Manager Drew Martin says the company has the potential to plant 4-5 times the amount of plantings in ground.

NPA chairman David Crawford says almond production is a high water use industry, and the 2007-08 irrigation season is one of concern but it could lead to rejuvenation in orchards.

"It may provide some growers with the opportunity to look at their older trees and start to replant," Mr Crawford said.

There are 31,000 trees, varying from two to seven years old, in the 120ha Omega orchard at Paringa, and the company is expecting at least a 50pc rise in crop this season.

"It's been a good year and we've got younger trees," Mr Martin said.