

Yakima Valley grape growers feel price squeeze

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AP PHOTO

HARVESTING: Matt Sorenson rides atop a grape harvester picking out bits of vine as the just-picked Concord grapes ride on a conveyor belt to a waiting bin during harvest Friday near Grandview. The prices for Concord grapes grown in the Yakima Valley have dropped this year due to an oversupply of less expensive red and white grapes in California and a larger-than-expected Concord grape harvest in some Eastern states.

AGRICULTURE: Concord grape prices drop an unexpected 5 percent.

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YAKIMA — Concord grape growers in the Yakima Valley are feeling the squeeze of low prices this year because of big harvests on the East Coast and a large supply of less-expensive varieties in California.

Prices here have fallen to \$150 a ton, a 25 percent drop from last season's \$200 a ton.

The Yakima Valley in central Washington is the country's top producer of Concord grapes, which are used to make juice, jam and jelly.

Growers said they anticipated some decline after growers in the East saw their average price fall 5 percent, from \$246 a ton to \$233.

Milne Fruit Products, a Prosser processor, has dropped the price it pays farmers to the lowest level since 1995 because of the market slump.

"It was unexpected, so it's scary," said Don Golladay, who has 150 acres of Concord grapes in the lower Yakima Valley.

It costs him about \$1,500 an

acre to grow them, and this year, he'll be getting about \$1,200 an acre, he said.

"The big thing is, can you clean up your line of credit to the bank? Golladay said. "And as it sits right now, you can't."

Last year, ConCORDS were worth about \$40 million in Washington, ranking it 20th among commodities statewide. Most of the grapes are grown on 20,000 acres here in the valley, with 4,000 more acres elsewhere in the state.

Farmers expect to bring in 188,000 tons of ConCORDS this year, up from 167,000 tons last year.

Growers sell grapes to cooperatives such as Welch Foods Inc. or cash buyers such as Milne Fruit.

Growers are disappointed in the prices, said Randy Hageman, Milne's general manager. But, he said, the Concord grape concentrate market has tanked.

California grows no ConCORDS but has an oversupply of lower-quality red and white grape concentrate being sold for about \$4.25 per gallon, compared with the Concord average of \$11 a gallon, Hageman said. Because California's grape concentrate can be purchased at such a low price, juice makers are blending it with Concord concentrate to save money.

"We have to look at the market conditions we're selling into, and we just see the demand for Concord concentrate going away because of what's going on in California," Hageman said.

He said he couldn't predict how long Concord grape prices might stay down.

With California prices so low, growers there will start yanking out their vines, which will eventually cause prices to rise, said Herb Barber, owner of Westfield, N.Y., food-ingredient brokerage firm Herb Barber & Sons.

Barber tracks grape prices and at one time served as a manager in the Yakima Valley for National Grape Cooperative, which owns Welch Foods.

In addition to a larger harvest in some Eastern states, that area also has a considerable Concord carry-over from last year, which has contributed to the depressed prices, Barber said.

"All of these things add up and led to a considerable price drop," he said.

Barber said this is the first time California grapes have stolen market share from the Concord industry.

"Growers should be concerned," he said.