French Processed Cherry Industry Faces Competition

Sun-drenched hills, fields of lavender, and a Mediterranean climate combine with the works of Van Gogh, Picasso, and many others to define the region of France known as Provence. Rising out of the Mediterranean Sea, this starkly beautiful land is the center of France's processed cherry industry. Surrounded by hills and rock outcroppings bleached white by the sun, cherries bloom and grow in a land of contrasts.

Numerous small orchards dot the landscape. In one 2,500-member fruit cooperative only 500 orchards are larger than five acres. It is not unknown for growers with as few as 10 trees to bring fruit to the cooperative for processing.

Napoleon (Royal Anne) is the main variety used for processing in the region, while Rainier serves as pollenizer. Each year 22,000 tons of Napoleons are grown in France for canned, glacé, or brine cherries.

Most of France's processed cherries are made into candied or glacé cherries. One cooperative alone processes 12 to 13 thousand tons of brine cherries per year. Seventy percent of these are made into candied cherries. Canneries take 30 percent of the processed production, while only 1,000 tons were sold as brine cherries in 1993, about eight to 12 percent of the total processing volume.

Most of the candied cherries are exported, but demand on the world market is static. Most are destined for small bakeries in Europe, Australia, South Africa, and Quebec, Canada.

France's brine cherry industry is small but growing. The French sell the idea that only the best cherries are placed on the brine market, and brine cherries are special varieties grown in special orchards.

Many of the processing orchards in Provence are old and declining. This is especially true of the non-irrigated orchards in the mountainous regions. Here, it is not uncommon to see low-density orchards with dying trees. However, in the irrigated valleys almost 2,000 acres have been replanted over the last five years. This represents 20 percent of the region's total sweet cherry acreage grown for processing.

Processing orchards tend to be more traditional than the fresh cherry orchards in Provence, which are often planted at high densities, with trees on dwarfing rootstocks and unique training systems. Modern processing orchards, on the other hand, are of standard density and pruned to the typical open-vase style.

As in fresh cherry production, labor costs are the major factor encouraging industry reform. In 1993, the cost of picking was about equal to the price paid growers. Pickers were paid $10 to $11 per hour, and the average worker harvested about 22 pounds per hour. Growers received only 46 cents per pound in 1993. For the past several years prices have hovered in the range of 46 to 55 cents per pound.

In the past, gypsies were the major source of harvest labor throughout the region. However, in the last five years, with the requirement for growers to pay social expenses, more and more local residents have been
harvesting the crop.

Because of these higher expenses, it is estimated that within the next five years, 50 to 75 percent of the processed cherries will be mechanically harvested. Most of the larger orchards will change to mechanical harvesting, while very small operations will continue to use family labor.

However, French processors have had problems adapting to mechanical harvesting since these cherries tend to be softer, leading to more loss during the brining and processing operations. In addition, when rain comes during the harvest season, the problem of soft cherries is compounded. processors are trying to find new markets to absorb these cherries.

The French are concerned about what they perceive to be inexpensive, low-quality cherries purchased by the Italians from eastern Europe, mainly Romania, Hungary, and Bulgaria. These cherries are processed by the Italians and sold at lower prices. In recent years, the Italians have purchased about 10,000 tons of sweet cherries at 23 cents per pound, about half the price the French industry pays growers for cherries. This has led to a 20 percent reduction in the French market share.

Because of this competition, the price paid to French growers has been declining in recent years. French growers recently signed a three-year agreement with industry personnel guaranteeing price and supply. This price is determined by crop size, competition, and bargaining. The current agreement is 10 to 15 percent lower than the previous contract.

There is also major concern over the large sweet cherry acreage being planted in Turkey. French industry personnel feel threatened by what they feel is the potentially unlimited supply of inexpensive cherries that can flood the European market in the future. No tariffs are charged to the Turks or any of the eastern European countries by the European Common Market. French, Spanish, German, and Italian groups are fighting unlimited importation of cherries from Turkey.

Though faced with many challenges, the French processed cherry industry is looking to the future, hoping to develop new markets while maintaining its lead in the glacé industry. Orchards are being renewed to increase production and, with the use of mechanical harvest, growers are hoping to regain the competitive edge in the market with a high-quality product.