

New Marketing Cooperative Created

As a cooperative, PBA provided services to its members to jointly market members' prunes for the past 3 years. The agreement provided that PBA act as the agent on behalf of the member without taking title, and handled the logistics to find buyers, pack and ship prunes to buyers, and provide the means to transfer title from the growers to the buyer. The PBA acted as the handler of record, paying marketing order assessments and packing and shipping costs, collecting payments from buyers, and distributing net proceeds to the growers.

This trial into direct marketing has been successful and has provided benefits to the PBA and its members in the form of better returns and increased knowledge of the market. Growers involved in the program wish to continue, however, the initial program was a temporary solution for our members who could not find a suitable buyer for their crops. With the supply balance having swung in the opposite direction, continuing the program through PBA may compromise its ability to negotiate with packers, as packers could see the PBA as a competitor if the we continue to market prunes directly.

For this reason, an organizing committee of PBA board members met on July 25, 2013 and formally incorporated a new organization. Articles, bylaws, membership, and marketing agreements were drafted and reviewed. The marketing agreement will provide for similar structure as before: the new cooperative will act as an agent only - title and risk remain with the grower until sold to buyer.

The California Prune Growers Marketing Association (CPGMA) establishes a permanent and ongoing direct market program for PBA members and their prune and nut crops. The new organization will be owned and operated by and for California Prune Growers and is a separate and stand alone legal entity from the PBA. The CPGMA will make direct sales from growers to buyers utilizing risk management strategies to improve returns and profitability. It will build on the success and support of the customer base established over past 3 years as well as help to expand markets and explore new opportunities for the benefit of growers. Growers must be a member of PBA to join.

The CPGMA will provide an alternative market channel for PBA members, providing market access, transparency, and trends in real time. As a separate entity it provides self-direction for growers in the marketing program, and the necessary structure to secure bank financing.

For further information, or if you would like to become a member of the new organization, please contact Greg Thompson at 530-674-5636 office, or 530-713-9909 cell.