

Over 90 Attend International Spinach Conference As the Spinach Harvest in Texas Gains Momentum

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As the spinach harvest in Texas gains momentum, over 90 spinach growers, shippers and industry leaders from as far away as Turkey, Canada, Denmark, Holland and at least eight U.S. states attended the International Spinach Conference in San Antonio on November 30 - December 3, 2008. About 20 speakers discussed consumption/marketing trends, supply chain methods in Europe, fertility, deficit irrigation, herbicides, soil/foliar applied pesticides, food safety, pre-harvest management, electronic pasteurization, the use of bacteria to control E-coli contamination, in vitro iron availability in selected genotypes, seed disease transmission/control, organic and conventional fungicides, new approaches to seed treatment, new ideas to satisfy consumer demand and downy mildew control.

The conference opened with very interesting historical overview of spinach production in Texas, highlighting that spinach production in the Wintergarden region of Texas dominated the U.S. spinach industry in the 1930's when about 50,000 acres were annually planted and included a historical summary of the Del Monte Corporation and how this firm established a canning operation in Crystal City. The second day of the conference included an extensive field trip with about six visits to selected farms in the Wintergarden region to view spinach plantings, yield studies, harvesting equipment demonstrations and disease control trials. The conference ended with a festive pachanga (social event), hosted by farmers, agri-businesses, banks and other establishments, as is the usual custom to welcome international visitors to our region.

Opening Prices

Meanwhile the spinach harvest in southwest Texas is rapidly gaining momentum with excellent market demand after a slight market slump, following the E-coli debacle of 2006. Quality has been

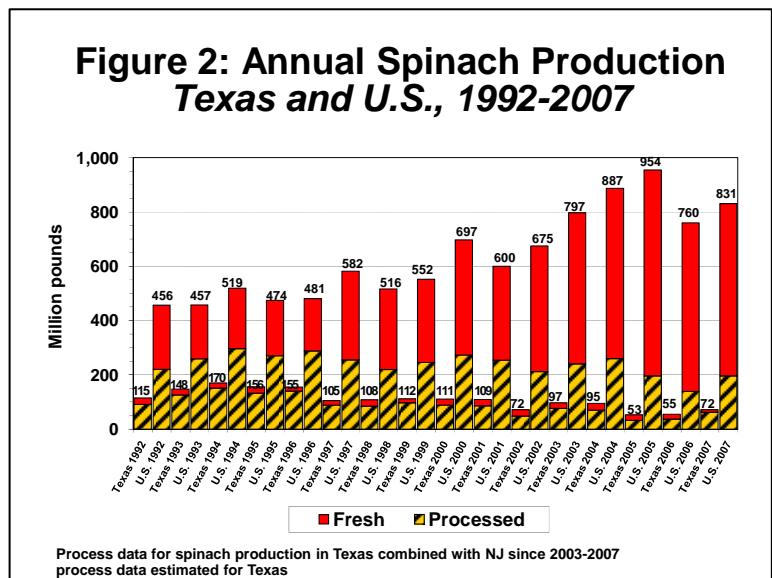
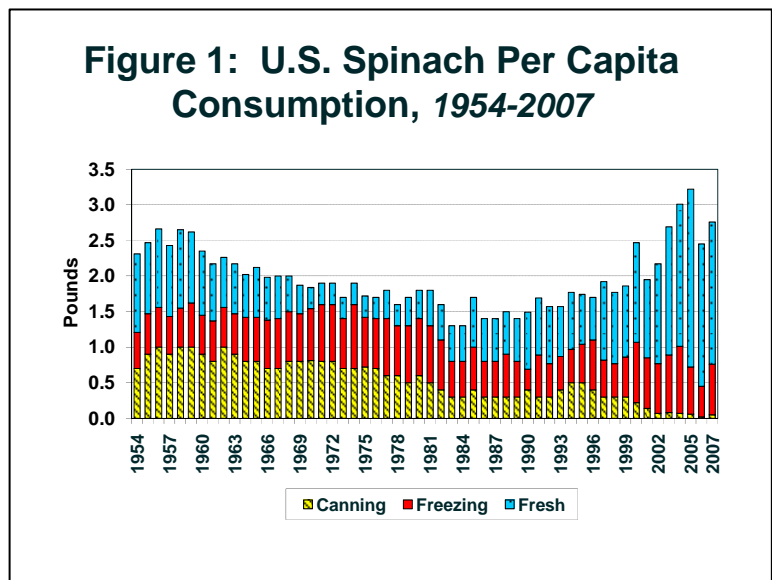
outstanding. The market opened with \$12.80-\$14.00/30 lb carton, up from last season's prices of about \$11.30/30 lb carton.

The future of the industry looks bright as demand is growing for fresh vegetables, especially for attractive, high quality greens with good taste and high nutritional value. Per capita use of all vegetables has been steadily increasing and is forecast to total about 444 pounds in 2008, up 9.7 pounds from 434.3 pounds in 2006. Demand is especially high for attractive, high quality greens with good taste and high nutritional value. Spinach falls into the category of high quality, nutrition-packed, leafy greens with excellent taste.

Per capita consumption of romaine lettuce alone has almost tripled during the last few years to 15.3 pounds forecast in 2008, compared to an average of about 4.0 pounds during 1985-1995 and just a trace prior to 1985. This increased demand has helped boost demand and prices for spinach. Per capita consumption of spinach almost doubled since the early 90's from an average of 1.4 pounds during 1982-1990 to an average of slightly over 2.4 pounds during the last five years. (Figure 1).

Production Up

While production and consumption of processed spinach (canning and freezing) has remained relatively flat, demand for fresh spinach has increased substantially during the last few years. (Figure 2). Please note that



while production decreased sharply in 2006 as the E-coli debacle hit the industry, production for both the fresh and processed market increased in 2007 as the industry proved its ability to provide a high quality nutritional product which is completely safe to consume. Production for the fresh market increased 14.7 million pounds during 2007 from 620.7 million pounds produced in 2006. National average fresh spinach prices also increased by about eight percent from an average of \$29.90/cwt in 2006 to \$32.20/cwt in 2007 and, as mentioned above, prices appear to be holding this season at over \$40.00/cwt. This indicates that demand for spinach is increasing.

California Leads, Texas 2nd

California now dominates spinach production, producing about 83 percent of the 635.4 million pounds of spinach produced for the fresh market in 2007 and 61 percent of the 195.6 million pounds for the processed market. Texas produced two percent and 32 percent of the fresh and processed spinach, respectively, produced in the U.S. in 2007. Spinach production is very important to Texas and especially the Southwest Wintergarden region of Texas where almost 95 percent of the spinach produced in Texas is produced.

The farm value of spinach production in Texas (fresh and processed) during 2007 amounted to about \$4.94 million (\$2.534 million processed, \$2.4 million fresh) with an economic impact of about \$10 million for communities in Southwest Texas.