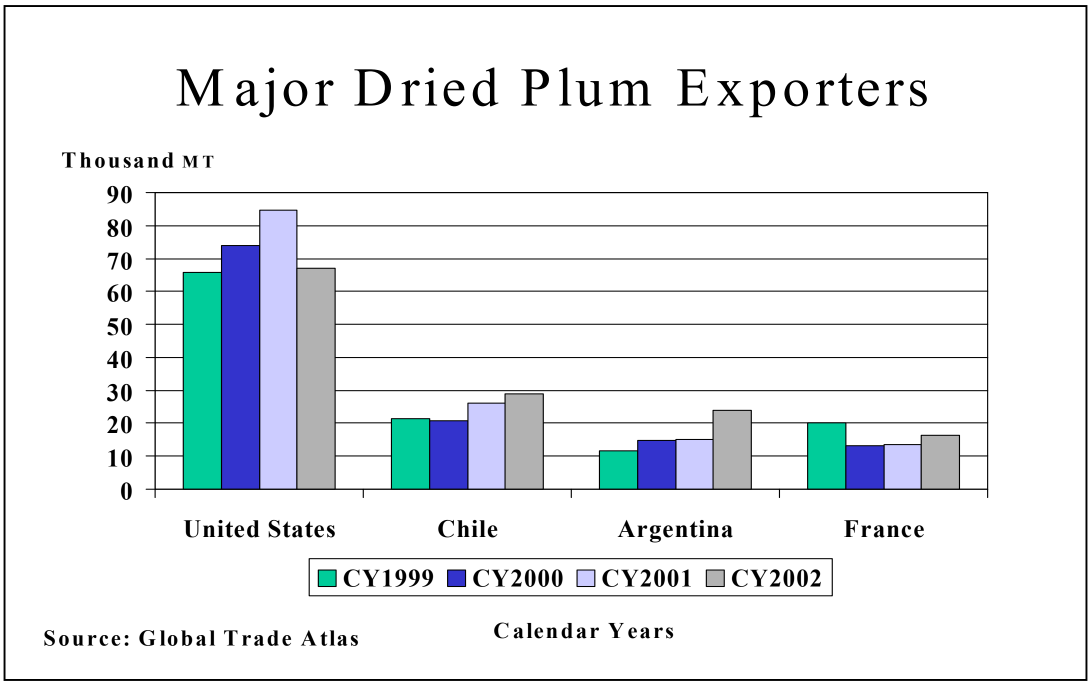
Dried Fruit (Dried Plum-Prune) Situation in Selected Countries

Total northern hemisphere dried plum production for marketing year (MY) 2003/04 for selected countries is forecast at 206,852 metric tons, an increase of 7 percent from the previous year. Production is expected to increase slightly in France due to favorable weather conditions and production in the United States is anticipated to be larger despite production limitation programs. However, U.S. exports of dried plums in MY 2002/03 are expected to fall by 10 percent from the MY 2001/02 level as a result of flat international demand and increasing competition.



United States

The 2002/03 dried plum crop production is estimated at 146,946 tons, a 20-percent increase from the 2001/02 crop. The 2003 crop encountered more rain and cooler temperatures during March and April than normal. As a result, the 2003/04 crop is forecast at 156,852 tons. The industry's long-term outlook shows significantly larger supplies of dried plums as a result of increased planting in the early 1990s.

Despite the larger crop, total U.S. dried plum exports in 2002/03 are expected to decrease by more than 10 percent from the preceding year to 64,500 tons. Exports in 2003/04 are expected to rebound 9 percent from the 2002/03 levels due to higher production and a weaker dollar. Increased sales in 2003/04 are likely to be seen in Japan and Canada. However, the U.S. prune industry is expected to lose market share in select EU countries to Chilean prunes, which now enter the EU duty-free. Currently, U.S. dried plums entering the EU are subject to a 9.6 percent tariff. Since the enactment of the EU-Chile free trade agreement (FTA), in January 2003, exports to two of the industry's three largest EU export markets (Germany and the United Kingdom) are down a combined 30.4 percent from the same period last year (January-May). U.S. exports, overall, to the EU are down slightly more than 8 percent during the January-May period since last year.

The California dried plum industry, represented by the California Dried Plum Board, exports 46 percent of its production to more than 50 markets. U.S. exports to Japan, its largest market, totaled 14,448 tons in calendar year (CY) 2002. As a result of the industry's fall marketing campaign in 2002, dried plums became the first food in Japan to be allowed to make an antioxidant health claim. From January to May 2003, U.S. exports to Japan were almost 33 percent higher than the same period last year.

France

France is the second leading producer of dried plums in the world, behind the United States. France's dried plum exports totaled 16,402 tons in CY 2002. France exports mainly to the United Kingdom, Germany, and Italy, which are also major markets for U.S. product. France's dried plum production for MY 2003/04 is forecast at 50,000 tons, or 8 percent higher than the 45,979 tons produced last year. Favorable weather has been the major factor for this increase. However, production is still lagging behind the 56,556 tons produced in 2001/02.

French prune growers are concerned that Chilean exports to the EU will increase significantly in the coming years since the recent signing of the EU-Chilean FTA that provides a zero-duty on prunes. This agreement will likely dampen prices on the EU market and increase imports from Chile.

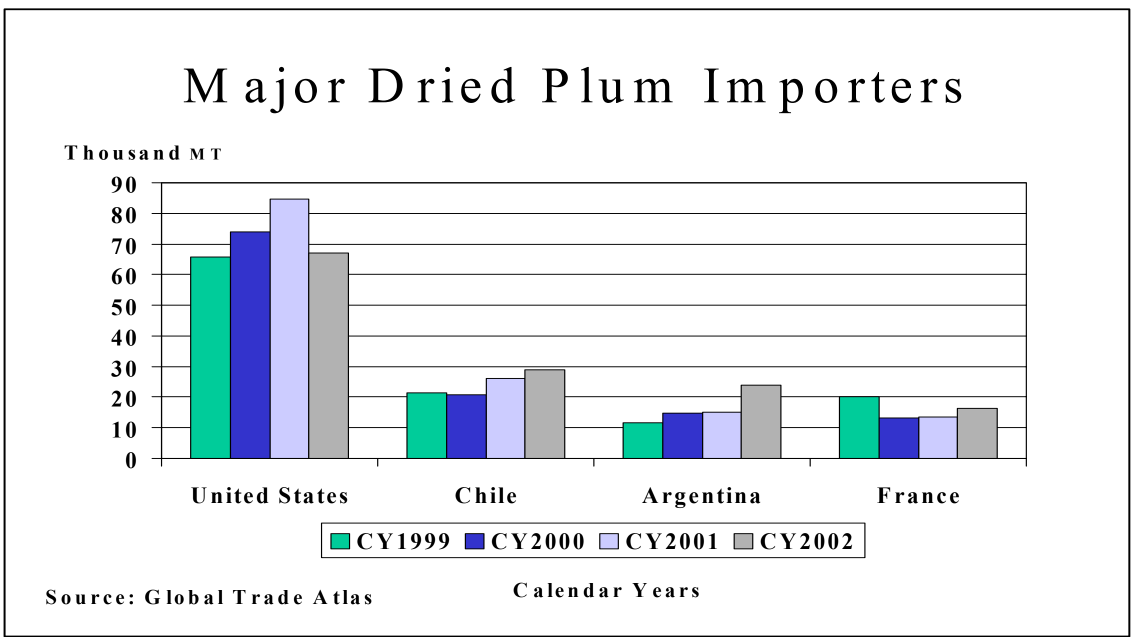
The EU Commission typically sets new minimum grower prices and a subsidy for prune processors. For 2003, the EU minimum grower prices have remained at euro 1,935 per 1,000 kilos while processing aid has gone up to euro 804.15 per 1,000 kilos. This is an increase of more than 17 percent over last year's subsidy level. This support will likely lower market prices to allow the French industry to compete against the zero-tariff Chilean product in the EU countries.

In 2002, for the first time in France, prunes harvested under certain standards have benefited from a Protected Geographical Indicator (PGI), with a European logo "Pruneaux d' Agen" brand name. In the EU, this name can only be used for marketing French prunes. The French industry believes that this PGI will help differentiate their product.

Chile

The 2002/03 crop is estimated to increase slightly from the previous year to 32,000 tons, as a result of good weather conditions and an increase in planted/harvested areas. It is expected that total production should level off in about 3 to 4 years, at about 34,000 to 35,000 tons per year. The largest planted area is located in the Santiago Metropolitan Region. The domestic prune market is a residual one in Chile and it usually takes less than 10 percent of domestic production. Domestic demand is principally for lower-quality fruit that is used for processed foods like juice, which utilizes about 60 percent of domestic consumption.

Chile's dried plum exports in 2002/03 are expected to remain near 2001/02 levels despite a reduction of around 20 percent of exportable surpluses earlier this season from the same period last year. However, exports are forecast to increase in the next few years due to the recently signed free trade agreement with the EU and the increase in planted/harvested areas now beginning to bear fruit. Chilean dried plums are ready for shipment from the end of April through November. Latin America has traditionally been Chile's main dried plum customer. However, Germany has replaced Brazil as Chile's second-largest market behind Mexico. It is expected that Germany will remain a strong market and more Chilean product will enter the EU, especially after 10 new member states accede to the EU in May 2004.



(The FAS Attache Report search engine contains reports on the Dried Fruit industries for 8 countries, including South Africa, Turkey and Australia. For information on production and trade, contact Dwight Wilder at 202-690-2702. For information on marketing contact Ingrid Mohn at 202-720-5330)