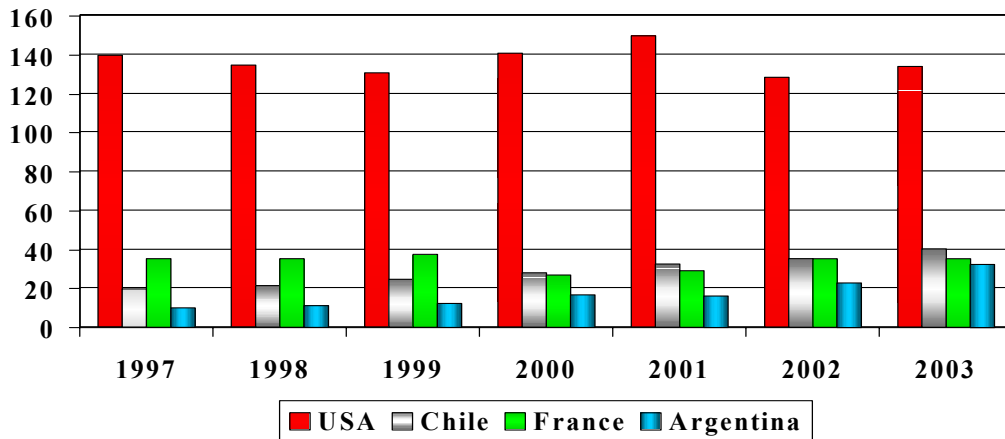


Dried Fruit (Dried Plum-Prune) Situation in Selected Countries

Dried plum production for marketing year (MY) 2003/04, for selected northern hemisphere countries, is estimated at 210,184 metric tons while the forecast for 2004/05 northern hemisphere production is set at 110,500 metric tons. Production in Chile is forecast at 32,000 tons for 2003/04. Production for 2004/05 in the United States is forecast at 63,500 tons, nearly a 60-percent decrease from the previous year due to unusually high temperatures during the bloom period.

Top Dried Plum Exporters

\$ Millions



Calendar Years

Source: Global Trade Atlas

Global Production and Trade

The United States, France and Chile are the world's key dried plum producers. Combined, these countries are estimated to generate more than 242,000 tons of dried plums in 2003/04. Global production is forecast to fall in 2004/05 due to decreases in production in both the United States and France.

These countries are also the world's largest exporters of dried plums. Chile typically exports over 90 percent of its production, while the United States and France usually export around 40 percent.

United States

The 2003/04 dried plum crop production is estimated at 152,407 tons, a 3-percent increase from the 2002/03 crop. The 2004/05 crop is forecast at 63,500 tons, a decrease of almost 60 percent from the previous year, due to significant crop damage from a mid-March hot spell. The heat occurred when trees were in full bloom, which caused blossoms to mature too quickly for the pollination process to complete. If the production forecast is realized, the 2004/05 crop will be the smallest on record since official estimates began in 1920 and yield will be the lowest since 1972.

Total exports in 2003/04 are expected to increase by 13 percent from 2002/03 levels, to reach 73,000 tons. Increased sales in 2003/04 are likely to be seen in Japan, Canada, and the EU. Despite the 9.6-percent import tariff to the EU and competition from Chile, which receives duty-free entry, U.S. exports to the EU, overall, were up by 27 percent during the August 2003 - June 2004 period since the same period a year earlier.

The California dried plum industry is represented by the California Dried Plum Board (CDPB). The industry is very export oriented, shipping 46 percent of its production to more than 50 markets. The largest market for U.S. dried plums is Japan. From August to June 2004, exports to Japan totaled 15,778 tons, an increase of more than 6 percent since the same period a year earlier. The CDBP is very active in market promotion activities, including participation in numerous international food shows each year. The CDBP is also a Market Access Program (MAP) participant with the Foreign Agricultural Service, receiving an approved budget of \$1.8 million for the 2004 MAP year.

France

France is the second leading producer of dried plums in the world, behind the United States, and supplies more than half of the EU market. It is a net exporter of dried plums, and a major competitor with the United States in the European market. France's dried plum exports from August 2002 to July 2003 totaled 14,902 tons, a decrease of 5 percent from the same period a year earlier. Algeria is the top market for France's exports; its main EU markets are the United Kingdom and Germany, which are also major markets for U.S. product. Due to expectations of less favorable weather in MY 2004/05, production is forecast at 47,000 tons. Although this represents a 19-percent decrease from the 57,777 tons produced in 2003/04, French prune exporters hope to benefit in 2004/05 from the disastrous U.S. prune crop.

French prune growers are concerned that Chilean exports to the EU will increase significantly in the coming years due to the January 2003 enactment of the EU-Chile free trade agreement. In MY 2003/04, France's imports from Chile and Argentina are expected to represent about 30 percent of overall imports. South American product has replaced the low priced, low quality prunes traditionally imported from Yugoslavia.

However, the industry views the French product as a superior one for which, at least domestically, there is no substitute competition.

In the EU, prunes produced under certain standards in France reap the benefit of a Protected Geographical Indicator (PGI), with the European logo “Pruneaux d’ Agen” brand name. This name can only be used for marketing French prunes meeting those standards, and is generally regarded as indicating premium quality. The French industry believes that this PGI will help differentiate their product from imports in the domestic market.

The French prune board (BIP) administers its own budget for market promotions. In CY 2001, BIP’s total promotional budget amounted to \$2.6 million, from which only \$707,885 was used for international promotions. BIP’s budget is funded from a 2-percent levy on growers’ sales and another 2 percent on processors’ sales. BIP does not conduct promotions in the United States.

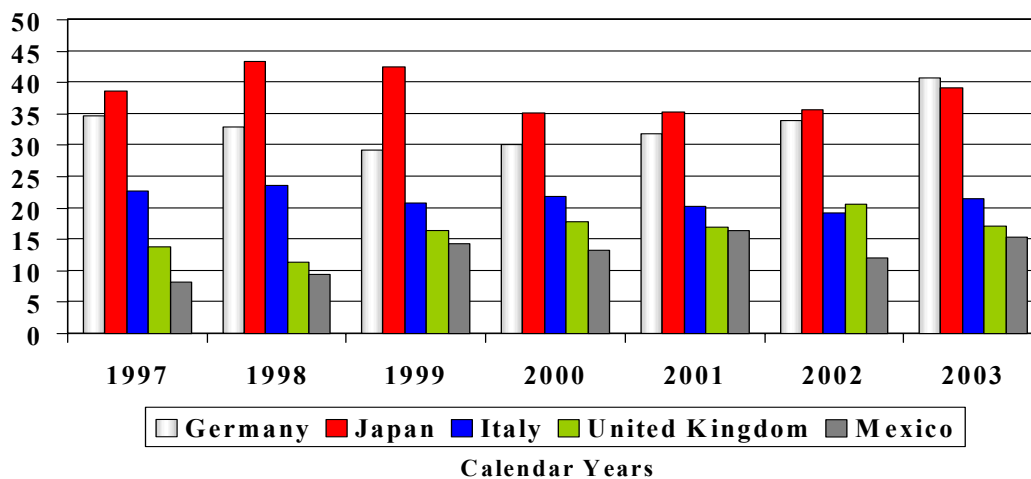
Chile

The 2002/03 crop production estimate is set at 25,500 tons, a 15-percent decrease from the previous year, as a result of poor spring weather conditions that affected most production areas. The 2003/04 production forecast is set at 32,000 tons due mainly to anticipation of more favorable weather. Overall production is expected to increase over the next 2 to 3 years and level off around 35,000 to 36,000 tons per year. This is expected to occur due to increases in planted area by producers who have been enticed by good producer prices during the last few years. The majority of all plum trees in Chile are located in the Santiago Metropolitan Region. The domestic prune market in Chile is very small and usually only consumes 10 percent of domestic production. Domestic consumers usually take lower-quality fruit that is used for processed foods like juice, yogurt, or consumption by the baking industry.

Chile’s dried plum exports in 2002/03 reached 33,678 tons, up 20 percent from the 2001/02 level despite tighter supplies of exportable surplus earlier in the season. However, January - June 2004 exports were down more than 18 percent from the same period a year earlier. Newer planted/harvested areas are now starting to bear fruit and will likely lead to increased export volumes in the next few years. Latin America has traditionally been Chile’s main dried plum market with the majority of exports going to Mexico. Although Mexico is still the single largest importing country, the EU has become Chile’s largest regional market since enactment of the FTA.

Top Dried Plum Importers

\$ Millions



Source: Global Trade Atlas

(The FAS Attaché 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 Krista Dickson at 202-690-1341)