



Commodity Profile: Plums

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Overview

In the United States the biggest crop of commercially grown plums comes from hybrids of Asian stocks introduced by Luther Burbank in the 1870s. Burbank brought trees from Japan, planted them on his farm in Santa Rosa, California, and through crossbreeding produced many modern varieties still popular today. California produces about 90 percent of the commercial crop—more than two hundred varieties that ripen from early to late summer, with a few varieties ripening into the fall.

In addition to California, plums are grown in New England and the Midwest, and indigenous varieties grow from the Mississippi River west to the Rocky Mountains and from Canada to the Gulf States.

Demand

Consumption of fresh plums in the United States has remained relatively constant since 1970, with annual fluctuations ranging from 1.9 pounds per capita in 1987 to 0.9 of a pound per capita in 1995 (Figure 1). In 1970, per capita consumption of fresh and processed plums peaked at 5.4 pounds, with 72 percent of consumption consisting of processed (canned, frozen, juiced, or dried) plums.

The United States is a net exporter of plums. In 2002, exports were valued at \$56.4 million, while imports amounted to about \$33.2 million (Table 1). The Agricultural Issues Center at the University of California estimates that 97 percent of U.S. plum exports were from California in 2002.

Plum exports have increased during the NAFTA period. Valued at \$38.8 million in 1989, exports almost doubled to \$74 million in 1990. Over the next three years, they decreased and were \$50.5 million in 1993. From 1993 to 2002, they increased 11.7 percent to \$56.4 million. The total increase in U.S. plum exports from 1989 to 2002 equaled 45.4 percent.

In 1989, Canada received \$9 million worth of U.S. plums, less than a quarter of total U.S. exports. In 2002, 47 percent of U.S. plum exports were shipped to Canada at a value of \$29.8 million (Figure 2).

Mexico received fewer U.S. plum shipments than Canada in 2002. In 1993, the total value of exports to Mexico was \$1.9 million. The Mexican economic crisis in 1995 contracted consumer demand and only \$400,000 worth of U.S. plums were shipped to Mexico that year. However, exports rebounded and rose to \$4.6 million in 1999. In 2002, they were valued at nearly \$5.7 million, a three-fold increase since 1993.

Other important destinations for U.S. plums were Hong Kong, which received 15.5 percent of U.S. plum exports in 2002 and Taiwan, which received 12.9 percent.

Tariff rates and policy changes resulting from NAFTA

Plum imports into the United States face two tariff seasons. From January 1 through May 31, shipments from countries with which the United States maintains normal trade relations do not face tariffs. Imports during the rest of the year are charged 0.5 of a cent per kilogram. Trading partners that have had the normal tariff status suspended by specific legislation face a tariff of 1.1 cents per kilogram any time of the year.

Before the Canadian-U.S. Free Trade Agreement (CUSTA), Canada imposed a tariff of 3.31 cents per kilogram on plum imports. Under the agreement, the tariff was reduced over 10 years until it reached zero in 1998. Mexico charged a tariff of 20 percent ad valorem on plums from the United States before NAFTA. That tariff was reduced over 5 years and fell to zero in 1998.

Before 1989, two U.S. tariff periods existed for plums. From January 1 through May 31, no tariffs were applied. From June 1 through December 31, the United States charged 1.1 cents per kilogram. Under CUSTA, that tariff was gradually reduced and reached zero in 1998. Under NAFTA, the U.S. tariff for plum imports from Mexico was eliminated immediately.

Supply

California produces most of the U.S. plum supply. In 2002, California produced 201,000 tons of plums (down 4 percent from the previous year) on 36,000 acres of land. Despite higher yields, the total value of production amounted to \$77.6 million, less than the value in 2000. Acreage for plum production decreased from 42,400 acres in 1992 to 36,000 acres in 2002. Production decreased from 250,000 tons in 1992 to 210,000 tons in 2002. Although production dipped slightly in 2002, production in 2001 was higher than in the three preceding years.

When adjusted for inflation (1996 dollars), the price for California (U.S.) plums was \$413.51 per ton in 2000, lower than \$534 per ton in 1989. However, prices fluctuated strongly, mainly due to production fluctuations. The price peaked at almost \$970 per ton in 1995 due to a bad harvest that year. The price was lowest in 1992 at \$274 per ton. In 2002, prices rebounded to \$348.82 per ton after dipping to \$279.66 the in 2001.

Plum imports from Canada and Mexico were not significant in 2002. The value of imports during the spring period was almost \$28.5 million, of which 97 percent, or \$27.7 million, was supplied by Chile. During the rest of the year (June 1 through December 31), Chile was again the main supplier, shipping 95 percent of the total U.S. import value of \$4.7 million.

Sources

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Tables and figures

Table 1: Total U.S. Plum Trade, in million \$, 1989-2002

| | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Export | 38.8 | 74.0 | 63.3 | 52.1 | 50.5 | 57.9 | 47.3 | 60.4 | 61.8 | 53.5 | 53.0 | 57.9 | 56.4 | 56.4 |
| Import | 13.4 | 14.7 | 15.1 | 15.7 | 14.2 | 14.8 | 16.2 | 17.8 | 21.3 | 18.0 | 26.1 | 23.5 | 29.5 | 33.2 |

(Source: U.S. Customs Service)

Figure 1: U.S. Fresh Plum Consumption, per capita, 1970-2001
 (Source: USDA Economic Research Service)

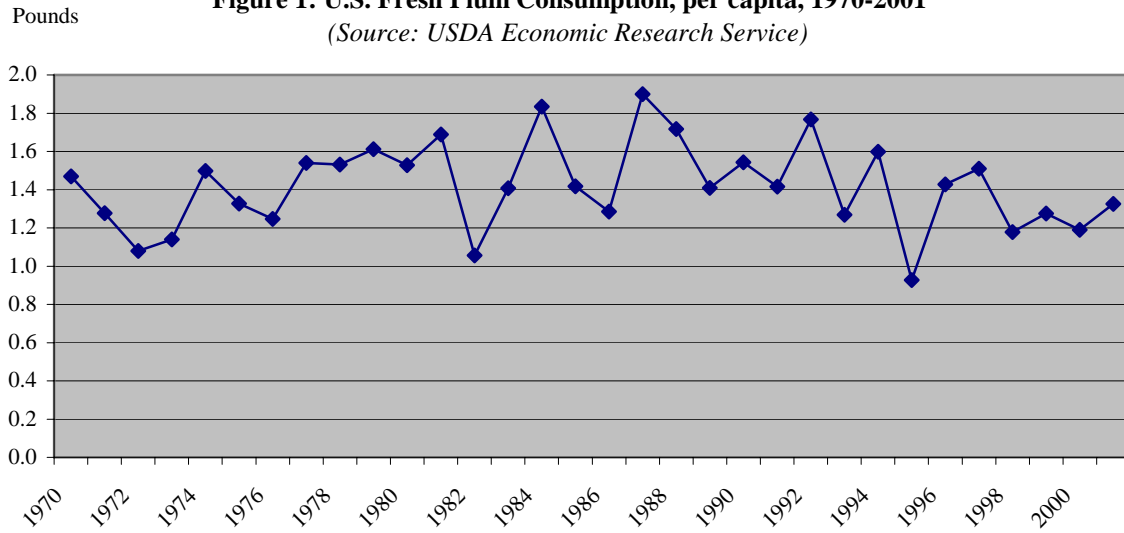


Figure 2: U.S. Exports to Canada, in millions, 1989-2002
 (Source: U.S. Customs Service)

