Overview
Louis Pellier, a French nurseryman, introduced plum trees to North America in 1856. By 1870, there were 650 acres of plum trees (the variety which can be dried) in California. By 1900, dried plum orchards in California covered approximately 90,000 acres, and an estimated 85 dried plum packing plants spread throughout the California growing area. Plantings peaked at 171,330 acres in 1929 (California Dried Plum Board).

Demand
Dried plum (prune) consumption in the United States has decreased since 1970 when the per capita consumption of prunes was 1.8 pounds (Figure 1). In 2001, per capita consumption was 1.2 pounds. It has ranged from 1.9 pounds in 1989 to 1.0 pound in 1979 and 1999.

The U.S. is a net exporter of dried plums, with all exports originating in California. In 2002, the export value was $133.5 million, about 32 percent higher than 1989 (Figure 2). The main export destinations are Japan, Germany and Italy. In 2002, 25.6 percent of California’s dried plum exports, valued at $34.2 million, were shipped to Japan. The next largest export destination was Germany, which received 13.3 percent ($17.8 million) of California’s prune exports. Italy was ranked third with a share of 9 percent ($12 million).

Canada received just over 7 percent of California’s dried plum exports in 2002. Prune shipments to Canada increased dramatically during the first year of the Canadian-U.S. Free Trade Agreement (CUSTA) but remained relatively steady during the rest of the decade (Figure 3). They peaked in 1993 at $11.3 million. In 2002, California dried plum shipments to Canada were $9.6 million.

In 2002, the value of California dried plum shipments to Mexico was $1.6 million, or 1.2 percent of total dried plum exports. This was nearly half the amount shipped in 2001, the peak year for dried plum exports to Mexico.

Tariff Rates and Policy Changes Resulting from NAFTA
The United States imposes a tariff of 2 cents per kilogram on imports of dried plums that were soaked in brine before drying. This tariff refers to imports from countries with which the United States maintains normal trade relations. Countries without normal trade status face a tariff of 4.4 cents per kilogram on prunes that are soaked in brine and dried. All other prune imports face a 14 percent tariff.

In 1988, the year before CUSTA, Canada did not impose tariffs on prune imports. California prune exports to Mexico faced a tariff of 20 percent ad valorem in 1993. After implementing NAFTA, Mexico phased out its tariffs over five years.

Prior to CUSTA, the United States imposed a tariff of 4.4 cents per kilogram on prunes that were soaked in brine and dried. For all other prunes, the tariff was 17.5 percent ad valorem. Both tariffs were reduced in equal steps over 10 years until they expired in 1998.

In 1993, Mexico faced the same U.S. tariffs that Canada had before CUSTA. Those tariffs were eliminated immediately upon implementation of NAFTA in 1994.

Supply
According to the California Dried Plum Board, more than 80,000 high-production acres are concentrated in the Sacramento, Santa Clara, Sonoma, Napa and San Joaquin valleys. These areas produce approximately 99 percent of the U.S. supply and 70 percent of the world supply.

California is the leading prune producer in the United States and accounts for over 95 percent of the value of U.S. prune production. California prune acreage decreased from 80,400 acres in 1992 to a 10-year low of 74,000 acres in 2002 (Figure 4). The value of production has varied dramatically over the last decade, depending on the quantity produced, which also fluctuated strongly. In 2002, 171,000 tons of dried plums were produced in California, valued at about $131.2 million.

The inflation-adjusted price (1996 dollars) for California (U.S.) dried plums has decreased since 1989, when the price per ton was $936. Although prices increased during the first half of the 1990s, in part due to lower yields, they peaked in 1994 at $1,135 per ton. In subsequent years the price was lower. In 2002, the price per ton of California prunes was $731.97.

U.S. prune imports are small, amounting to $1.54 million in 2002. Imports from the NAFTA partners are insignificant. In 2002, the U.S. imported prunes mainly from China (34.4 percent), Argentina (34.1 percent), and Taiwan (8.6 percent). Total prune imports have varied considerably since 1992. In 1998, imports were valued at $574,335 after peaking in 1994 at $5.4 million. Imports rebounded after 1998 and were over $1.5 million in 2002.
Sources
California Dried Plum Board. Available at: http://www.californiadriedplums.org/


Figures

Figure 1: U.S. Prune Consumption, per capita, 1970-2001
(Source: USDA Economic Research Service)
Figure 2: U.S. Total Prune Exports, 1989-2002
(Source: U.S. Customs Service)

Figure 3: U.S. Prune Exports to Canada and Mexico, 1989-2002
(Source: U.S. Customs Service)

Figure 4: California (U.S.) Prune Acreage, 1992-2002
(Source: National Agricultural Statistics Service)