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**FOR IMMEDIATE RELEASE**

## ***Prune Packers Pay High Prices for Imports***

**YUBA CITY, CA, December 12, 2005** – Two back-to-back prune crop disasters in California have caused a severe shortage of dried prunes and some California processors say they have no choice but to import prunes from overseas at much higher prices than what they paid to California prune farmers. Recent data from the United States Department of Agriculture Foreign Agricultural Service (USDA-FAS) indicates that California prune packers paid prices 30% higher for imported prunes last year than what they paid to California growers.

According to the USDA National Agricultural Statistics Service (USDA-NASS), the average finalized price paid to California farmers last year for prunes was \$1,551 per short ton. During the same time frame, import data from USDA-FAS suggests that some California processors paid over \$2,000 per ton to sellers in Chile and Argentina. The declared value data collected by US Customs indicates that packers paid an average of \$2,007 per short ton on a total of 8,789 tons of prunes imported last year.

So far data available for the first two months of the new market year show imports continuing unabated at about the same pace as last year. But the figures indicate that packers are paying even higher prices to foreign sellers this year. According the USDA-FAS, the averaged declared value of imported prunes for August and September is \$2,314 per short ton, or 15% higher than last year's average. In two months, 1,440 tons were imported. The dried prunes came mainly from Argentina, France, and Chile. Nearly 60% of the imports came from South America (see figure 1).

In normal years very few prunes are imported into the U.S. Prior to 2004, the 10-year average of imports was less than 250 tons per year (see figure 2). But since California is such a major producer of prunes, short crops here drastically reduced the world supplies and drive prices up. With another short California crop in 2005, the world supply shrunk even further. In June, the International Prune

Association projected the world supply of prunes at 230,000 metric tons, 20,000 tons less than in 2004 when California had the shortest crop since 1918. Now that the California crop has been harvested, the industry projects that the 2005 crop will be 15,000 tons less than forecast in June. On top of the short crop, 20 to 25% of the fruit is damaged and will have to be sorted from the undamaged fruit. “This combination of factors has created a critical shortage,” says Greg Thompson, general manager of the Prune Bargaining Association. “Some packers have to make up the shortfall by importing prunes and they end up paying through the nose. On top of the price for the imported prunes they pay import duties and transportation costs.”

The situation may only get worse for California processors. Farmers continue to remove prune acreage in favor for other crops after a string of money losing years. Prune orchard acreage in California has declined from a peak of 89,000 bearing acres in 2001 to an estimated 67,000 acres in 2005. While the industry hopes that acreage will stabilize, other tree crops are becoming more attractive alternatives to growing prunes. “A few growers had the bulldozers in the orchards following harvest to push out prune orchards,” said Thompson. “They either couldn’t afford the risk of another bad crop or decided it was time to try something else.”

The Prune Bargaining Association was formed in 1968 as a grower-owned cooperative to improve the economy of the California prune industry, encourage the production of a quality product and provide a forum for growers to exchange ideas regarding the industry. The PBA establishes the industry’s raw product price for prunes. PBA is online at [www.PruneBargaining.com](http://www.PruneBargaining.com)

**Average Value of Dried Prune Imports by Country of Origin**

Crop Year - 2004 - Aug 1, 2004 - July 31, 2005

Country	Short Tons	\$ Value	2004 Avg \$/ton
Argentina	1,273	\$2,932,000	\$2,303
Chile	1,380	\$3,015,000	\$2,185
France	5,391	\$10,320,000	\$1,914
Other	746	\$1,369,000	\$1,836
<b>Total</b>	<b>8,789</b>	<b>\$17,636,000</b>	<b>\$2,007</b>

Crop Year - 2005 - Aug 1, 2005 - Sept 30, 2005

Country	Short Tons	\$ Value	2005 Avg \$/ton	% Chng from '04
Argentina	567	\$1,357,000	\$2,394	4.0%
Chile	286	\$642,000	\$2,246	2.8%
France	539	\$1,246,000	\$2,310	20.7%
Other	48	\$88,000	\$1,831	-0.3%
<b>Total</b>	<b>1,440</b>	<b>\$3,333,000</b>	<b>\$2,314</b>	<b>15.3%</b>

Source: UNITED STATES DEPARTMENT OF AGRICULTURE - FOREIGN AGRICULTURAL SERVICE

Figure 1. Average Value of Imported Prunes

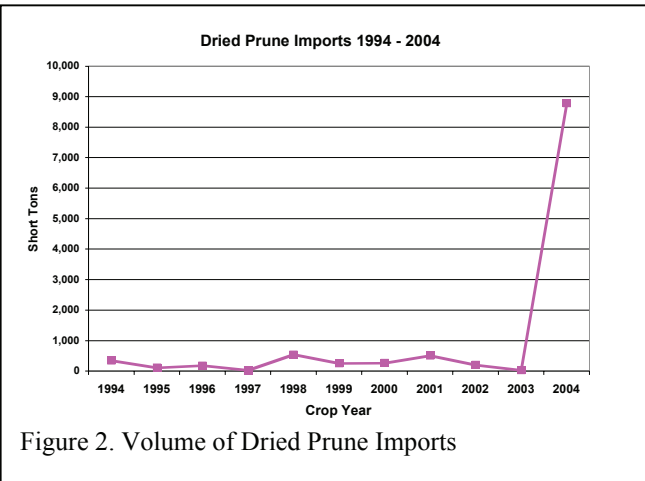


Figure 2. Volume of Dried Prune Imports