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## France

## Dried Fruit

## Dried Fruit Annual- Revised

## 1999

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### Report Highlights:

**Due to adverse weather conditions in 1998, prune production fell below projected levels. Imports are expected to rise this year to meet local demand. France is the world's second largest producer after the United States. In the European market, French growers compete head-to-head with California growers.**

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Includes PSD changes:Yes  
Includes Trade Matrix:Yes  
Annual Report  
Paris, FR

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## **Executive Summary**

In 1998, French prune production amounted to 33,000 MT, 25 percent less than expected. This was due to hail and strong rains in June and July. The next harvest is expected to reach 45,000 MT, the same level as in 1997.

French prunes compete with California prunes in the European market. During the period September 1998 - June 1999, Algeria, Italy, United Kingdom, Germany and Spain absorbed 62 percent of French prune exports. French imports are expected to increase substantially in 1999, as production falls short of domestic demand and stocks were drawn down sharply last year.

## **Section 1: Situation and Outlook**

France is the world's second largest producer of prunes after the U.S. When demand outstrips production levels in France, imports from countries like the U.S. usually take up the slack. In 1998, French prune production amounted to 33,000 MT, 25 percent below expected production levels due to rain and hail in the months of June and July. However, imports did not rise as stocks made up for the shortfall. Prune imports came from Spain, Yugoslavia, and Argentina. Industry experts project higher demand for imported prunes in 1999 as stock levels drop.

France is expected to remain a large exporter of prunes. In 1998, Algeria, followed by Italy, the United Kingdom, and Germany, were the biggest importers of French prunes. Concerned about potential worldwide overproduction that would reduce market prices for prunes, French growers have reduced their production potential by uprooting and limiting orchard expansion. The French prune sector believes that California growers should take similar steps to control production, maintain decent world market prices for prunes worldwide, and increase the overall production quality.

## Section 2: Statistical Tables

PSD Table						
Country	France					
Commodity	Dried Prunes				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		09/1996		09/1997		09/1998
Area Planted	14100	14100	13600	13619	0	13600
Area Harvested	12098	12098	11616	11834	0	11800
Bearing Trees	2020	2020	2720	1950	0	1950
Non-Bearing Trees	400	400	400	400	0	400
Total Trees	2420	2420	2320	2350	0	2350
Beginning Stocks	36040	45000	4940	21000	3440	500
Production	28500	30000	45000	33000	0	45000
Imports	400	400	500	500	0	5000
TOTAL SUPPLY	64940	75400	50440	54500	3440	50500
Exports	25000	20400	12000	19000	0	14000
Domestic Consumption	35000	34000	35000	35000	0	36000
Ending Stocks	4940	21000	3440	500	0	500
TOTAL DISTRIBUTION	64940	75400	50440	54500	0	50500

Prune marketing year starts in September and ends in August. Data for August 1999 were not available from French Customs. The following trade matrices are based on 11 months of trade (from September to July).

Export Trade Matrix			
Country	France		
Commodity	Dried Prunes		
Time period	Sept/July	Units:	Metric tons
Exports for:	1997		1998
U.S.	0	U.S.	60
Others		Others	
Spain	2969	Algeria	4116
Italy	2827	Italy	2771
Germany	2772	United Kingdom	2275
Russia	2323	Germany	2224
United Kingdom	2036	Spain	1833
Netherlands	1819	Netherlands	1721
Belgium	1219	Belgium/Lux	1196
Algeria	1079	Hong Kong	948
Greece	909	Greece	933
Portugal	597	Russia	678
Total for Others	18550		18695
Others not Listed	1742		2409
Grand Total	20292		21164

Import Trade Matrix			
Country	France		
Commodity	Dried Prunes		
Time period	Sept-July	Units:	Metric tons
Imports for:	1997		1998
U.S.	0	U.S.	0
Others		Others	
Spain	338	Spain	125
Chile	39	Yugoslavia	67
		Argentina	18
Total for Others	377		210
Others not Listed	0		0
Grand Total	377		210

## Section 3: Supply, Demand, Policy and Marketing

### Production

Because of its high production yield, number 707 is the main variety planted in France. Trees produce prunes for roughly 30 years, from the time they reach the age of seven years. About 70 percent of prune tree areas are irrigated.

In 1998, French production of 33,000 MT fell 25 percent below expected levels. This is due to hail and strong rains in June and July. But the next harvest is expected to be around 45,000 MT. Last year's uprooting efforts and ban on orchard expansions are expected to prevent overproduction and price reductions, such as what happened in 1995 and 1996. However, current low levels of production were caused by bad weather conditions and the orchard has the potential to supply the market.

### Consumption

Prunes are either consumed directly or after having been processed into such food products as juice or ingredients for cookies and yogurts. French consumption per capita is the second largest in the world. It amounts to 500 grams (1.1 lb) per year, after Finnish consumption (550 grams -1.2 lb), and ahead of U.S. consumption (350 grams - 0.77 lb). Consumption rose slightly in 1998 owing to an image building advertising campaign by the Interprofessional Office of Prunes (Bureau Interprofessionnel du Pruneau).

The French dried fruit market has three main suppliers: Dole (U.S.), France Prune (French), and Jack Benoit (German). In late 1998 and early 1999, Jack Benoit introduced new snack-sized products in small-size packages (50 grams -0.11 lb).

### Trade

French and California prunes compete in the EU market. From September 1998 to June 1999, 62 percent of French prune exports went to Algeria, Italy, the United Kingdom, Germany and Spain. Exports to Algeria in 1998 were four times of those in 1997.

French imports are expected to grow significantly in 1999 as domestic production falls short of domestic demand. As a result, the French industry is expected to resort to U.S. prunes.

### Stocks

Stocks in 1998 were higher than previously expected and will help supplement 1998's poor harvest. French producers hope for a better harvest in 1999 as stocks reach very low levels.

## Policy

The EU Commission set the 1998 harvest's minimum price at 1935.23 ECU per MT for dried prunes in the size category of 66 prunes per 500 grams. While this price increased slightly in 1999, the switch to the EURO triggered an automatic decrease of 1.9 percent in French farm prices. This decrease compensated for the price increase paid to French prune growers. Under the EU regulation, prune processors must pay this minimum price to prune growers in order to receive EU aid amounting to 799.8 ECU per MT for the 1999 harvest.

The price of big prunes is expected to rise as a result of efforts by the Interprofessional Office of Prunes (BIP) to boost the image of prunes. Meanwhile, that of small fruits will most likely decline.

## Marketing

During the this year's annual prune conference at Villeneuve-sur-Lot, Christian Amblard, Director of the Economic Committee for Prunes, presented a comparative analysis of French and California prune production costs based on a survey conducted in France from 1992 to 1997 and another conducted by the University of California at Davis in 1987 and 1997. He chose the exchange rate 1 USD = FF 5.65.

Post notes that these data were not gathered according to scientific sampling techniques. The study is useful simply to give an idea of relative magnitudes of interesting variables.

### 1. Comparison of global prune sectors in France and in California:

	France	California
# of prune producers	2,500	1,350
Area covered	15,000 ha	41,000 ha
Average area per farm	6 ha	30 ha
Producer activity	variety of commodities produced other than prunes	specialized in fruit trees production
Total production	55,000 MT	190,000 MT
Average prune size (number of prunes per 500g)	56-66	75-80
Production per producer	22 MT	140 MT



## 2. Comparison of French and Californian surveys:

	France	California
Place of surveys	sample of 100 farms reduced to 40 farms in 1997	2 areas: Sacramento (Yolo and Solano) and San Joaquin (Fresno, Kings, Tulare)
Average prune orchard	9.2 ha	80 ha including 50 ha of prune trees
Average yields	5.1 MT/ha	6.5 MT/ha
Price per kg	FF 12.27	FF 5.07

## 3. Comparison in FF per kilogram of dried prunes:

Comparison of costs (in FF per Kg of dried prunes):

		France	California
Orchard management	Equipment and other	0.35	0.39
	Hail Insurance	0.46	0
	Chemicals	0.85	0.37
	Manpower	0.35	0.11
	Pruning	1.25	0.29
	Total	3.26	1.16
Harvest		2.08	0.53
Drying		2.69	0.97
Other	Fixed	1.18	1.27
	Depreciation	0.96	0.74
	Membership	0.54	0.15
	Total	2.68	2.16
Grand Total		10.71	4.82

Farm receipts in FF per kg of dried prunes:

	France	California
Payments for hail	0.30	0.00
Sales	12.27	5.07
Total	12.57	5.07

Profit in FF per kg of dried prunes:

	France	California
Revenue	12.57	5.07
- Costs	10.71	4.82
= Profit	1.86	0.25

4. Comparison in FF per hectare:

	France	California
Revenue	64,000	33,000
- Costs	54,500	31,300
= Profit	9,500	1,700

5. Comparison of profit per farm:

	France	California
Profit per hectare (FF)	9,500	1,700
x average farm size (ha)	9.2	50
= average profit per farm (FF)	87,000	85,000

Amblard concluded that despite significant differences between French and California prune production structures, the average profit per farm is about the same in both countries.