



Agricultural Issues Center
University of California

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Commodity Profile with an Emphasis on International Trade: Pears

*by Henrich Brunke, Post Graduate Researcher
Agricultural Issues Center
University of California
brunke@primal.ucdavis.edu*

California produced 28 percent of all pears in the United States in 2001. California production amounted to 267,000 tons of pears on 18,300 acres. California's pear production is only surpassed by Washington, which produced 450,000 tons on 24,800 acres in 2001. Oregon ranked third with a total production of 229,000 tons on 17,000 acres. California acreage has decreased from pre-NAFTA times. In 1993, pears were produced on 24,100 acres in California. Total production has decreased from 317,000 tons in 1991. Production peaked in 1994 at 363,000 tons.

Tariff Rates and Policy Changes Resulting from NAFTA

Fresh pear imports into the United States face two tariff lines. For imports from countries with which the United States maintains normal trade relations, no tariff is imposed on fresh pears entered during the period from April 1 through June 30. Throughout the rest of the year, the tariff is 0.3 cents per kilogram. Trade partners without normal trade status with the United States face a tariff of 1.1 cents per kilogram if shipping pears into the United States at any time of the year.

Canada levied a seasonal tariff on fresh pear imports before the Canadian-U.S. Free Trade Agreement (CUSTA). That tariff was 3.31 cents per kg. After implementing CUSTA, the tariff was phased out over 10 years, until it fell to zero in 1998. Mexico imposed a tariff of 20 percent on U.S. pears before NAFTA. After implementing the agreement, the tariff was immediately cut to 15 percent, which were then gradually eliminated until 1998.

Before CUSTA, there were two import tariff seasons in the United States. Pears entering the United States from April 1 to June 30 faced no tariffs in 1988. From July 1 to March 31, the U.S. tariff was 1.1 cents per kg. Under CUSTA, the U.S. tariff was reduced, and fell to zero in 1998. Imports from Mexico faced the same U.S. tariffs in 1993 that Canada had faced in 1988. Under NAFTA, the United States immediately eliminated its tariff on Mexican imports.

Exports

The United States is a net exporter of pears, with the top destinations being Canada and Mexico (Table 1). U.S. exports increased almost constantly during the NAFTA years. U.S. exports of fresh pears were valued at \$34.4 million in 1989. They jumped to \$61.5 million in 1990 and increased another 53 percent over the decade to \$94.1 million in 2001 (Figure 1). California, who supplies about one quarter of U.S. exports (Agricultural Issues Center, University of California, Davis), shipped its pears mainly to the NAFTA partners (59 percent Mexico and 38 percent to Canada) in 2000.

U.S. exports of fresh pears to Mexico grew rapidly, even before NAFTA from 1989 to 1993, when the value of fresh pear exports more than doubled from \$8.9 million to \$20.4 million. In 1994, exports of fresh pears to Mexico increased another 50 percent to \$30.4 million. In 1995, U.S. fresh pear exporters felt the effects of the Mexican economic crisis and the devaluation of the peso, with exports falling to \$13.2 million. In the following years (1996-2001), exports rebounded and reached \$42.3 million in 2001 (Figure 2), 79 percent higher than in 1993. California contributed approximately 20 to 25 percent of total U.S. pear exports to Mexico in recent years. California exports to Mexico doubled during the NAFTA era and California had slightly increased its share in total U.S. exports to Mexico.

During the CUSTA years (1989-1993), when the Canadian tariff on U.S. imports decreased, the value of U.S. pear exports to Canada rose 88 percent from \$13.6 million to \$25.6 million. The value of exports rose to \$26.6 million in 1994. From 1995 to 2000, U.S. pear exports to Canada averaged \$30.8 million and reached \$32.5 million in 2001, up 26 percent from 1993 and 138 percent higher than in 1989.

Nearly one quarter of U.S. fresh pear exports to Canada originated in California. The value of California exports to Canada was \$5.8 million in 1990. Exports peaked in 1996 at almost \$9 million. In 2001, California pear exports to Canada were \$7.5 million (Figure 3).

Imports

Pear imports to the United States from the NAFTA partners were not significant in 2001. Mainly for seasonal reasons, imports into the United States originated in South America (Argentina and Chile supplied 80 percent of pears to the United States in 2001) and New Zealand. The total value of pear imports to the United States during the spring season was about \$30 million in 2001 (U.S. Customs Service). Total imports during the non-spring season amounted to \$50 million in 2001 and originated in Argentina (47 percent), Korea (26 percent) and Chile (18 percent).

Prices

The inflation-adjusted price (all prices in 1996 dollars) for pears in California decreased during the first half of the 1990s from a high of \$325 per ton in 1989 to \$199 per ton in 1994, after adjusting to inflation. In subsequent years, prices fluctuated heavily around a steady trend. The price in 2000 was \$213 per ton in 1996 dollars.

Sources

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United States Department of Agriculture, Foreign Agricultural Service. Attaché Reports. Available at: <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

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Tables and Figures:

Table 1: Fresh U.S. pear exports to Mexico and Canada, in million \$, 1989-2001

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Canada	13.6	26.2	26.1	24.7	25.6	26.6	30.0	34.1	31.0	30.3	29.5	29.8	32.5
Mexico	8.9	12.6	14.1	15.8	20.4	30.4	13.2	16.5	17.3	26.6	33.2	42.2	42.3

(Source: US Customs Service)

Figure 1: U.S. pear exports, 1989-2001
(Source: U.S. Customs Service)

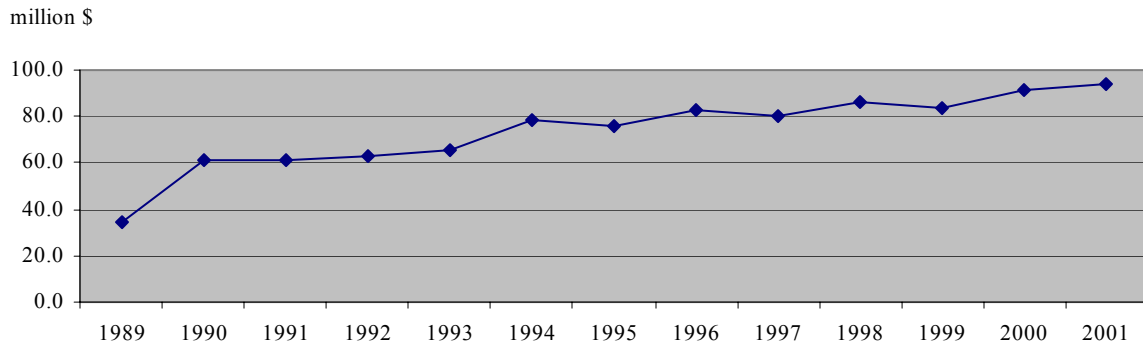


Figure 2: U.S. pear exports to Mexico, 1989-2001
(Source: U.S. Customs Service)

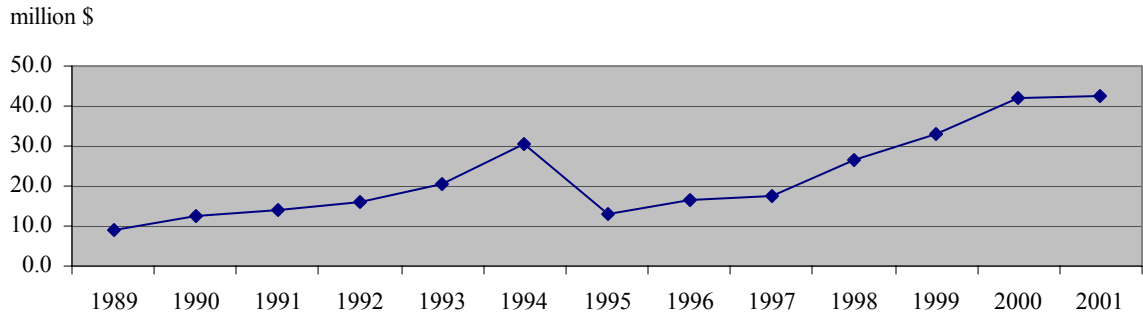


Figure 3 : California pear exports to Canada, 1990-2001
(Source: Canada Statistics)

