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## Commodity Profile with an Emphasis on International Trade: Raisins

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California produced 2.1 million tons of raisins in 2001, down from 2.9 million tons the previous year. Large ending stocks in 2000 and depressed prices were responsible for lower production in 2001 (Economic Research Service, USDA). California raisin production has fluctuated during the past decade but the total quantity produced has changed little from 1991 to 2001. The acreage used in California to grow vineyards for raisin production has increased from 266,000 acres in 1991 to 280,000 acres in 2001 (Figure 1). Raisins are only commercially produced in California.

### **Tariff Rates and Policy Changes Resulting from NAFTA**

The U.S. tariff on raisin imports is 1.8 cents per kilogram for raisins made from seedless grapes. Other raisins imports are charged 2.8 cents per kilogram. Both tariffs refer to imports from trading partners with which the United States maintains normal trade relations. Countries without normal trade status with the United States face a higher tariff of 4.4 cents per kilogram for both types of raisins.

Canada did not impose any tariffs on raisins from the United States before the Canadian-U.S. Free Trade Agreement (CUSTA). Before NAFTA, Mexico imposed a tariff of 20 percent on raisin shipments from the United States. In 1994, that tariff was immediately eliminated.

Before 1989, the United States imposed a tariff of 2.2 cents per kilogram on imports of raisins made from seedless grapes, and 4.4 cents per kilogram on other raisin imports. Tariffs for Canada were eliminated over 5 years. In 1993, Mexico faced the same tariffs that Canada had before 1989. Those tariffs for Mexican imports into the United States were also immediately eliminated with the implementation of NAFTA in 1994.

### **Exports**

The United States is a net exporter of raisins. In 2001, exports amounted to \$144 million, while imports were valued at \$12 million. The top export destination in 2001 was Europe, which imported \$59 million worth of raisins from the United States. Exports to

Great Britain alone accounted for \$30 million. Other important export destinations are Asia (Japan imported raisins valued at \$29.1 million from the United States in 2001) and Canada, which received raisin shipments valued at \$19.3 million in 2001.

Total exports have increased continuously during the CUSTA years and the early years of NAFTA (Figure 2). In 1989, exports amounted to \$150 million. In 1996, exports peaked at \$208 million. From 1997 to 1999, exports were lower, averaging \$195 million. In 2000 and 2001, exports lost one-fourth of their value, falling to the lowest level since 1986. The recent drop was probably caused by large world surpluses of cheaper raisins. Raisin exports to Canada increased during the past decade from \$11.7 million in 1989 to \$19.3 million in 2001 (Table 1). In 1989, 8 percent of total exports were shipped to Canada. By 2001, that figure had risen to 13.5 percent. Exports to Canada increased more than total exports, making Canada more important as an export destination for California grapes during the CUSTA and NAFTA years.

Exports to Mexico amounted to only \$680,000 in 2001, which was slightly higher than shipments in 1993. During the first year of NAFTA, however, the value of exports increased from \$501,000 to almost \$4 million. The peso devaluation in 1995 contracted Mexican demand, and exports fell to pre-NAFTA levels. Exports recuperated in 1996 to a value of \$1 million and averaged \$2.2 million over the next four years, but decreased again in 2001.

### **Imports**

The majority of raisin imports into the United States in 2001 came from Chile (\$4.4 million). Mexico was a close second and shipped \$4.1 million worth of raisins to the U.S. Other sources of imports were Argentina (\$2 million) and South Africa (\$1.3 million). Total U.S. raisin imports increased from \$9.8 million in 1989 to \$12.5 million in 2001. Imports peaked in 1999 at \$29.2 million, but have decreased since then.

Total imports varied during the past decade (Table 2). The total value of imports increased from \$7.8 million in 1993 to \$12.5 million in 2001. But, imports were already high before NAFTA, reaching \$10 million in 1991. During NAFTA, imports increased until they reached \$29.2 million in 1998. They decreased to \$17.9 million in 2000 and \$12.5 million in 2001. During the last two years, U.S. dependency on imports was lower due to the decrease in exports. Fewer raisins were shipped abroad and were instead supplied to U.S. markets.

Imports of raisins from Mexico did not increase substantially during NAFTA. Imports were higher during the second half of the 1990s, but the 2001 level was just slightly up from 1993.

### **Prices**

After adjusting for inflation, California raisin prices did not change substantially during the 1990s. In 1989, the price was almost \$310 per ton in 1996 dollars. Prices were a little lower during the last decade but reached in 1999 at \$310 almost the 1989 level.

However, the year 2000 experienced a dramatic decrease, when prices fell to less than \$160 per ton.

**Sources**

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**Figures and Tables**

Table 1: U.S. raisin exports (total and to NAFTA partners), in million \$, 1989-2001

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	150.0	176.2	181.9	180.6	185.8	197.9	197.6	208.6	199.8	194.6	191.7	145.9	144.0
Canada	11.7	23.1	23.3	22.1	23.0	23.6	21.6	20.6	22.9	23.2	22.5	21.8	19.3
Mexico	0.6	3.4	0.5	0.5	0.5	4.0	0.6	1.0	2.8	1.6	2.5	1.9	0.7

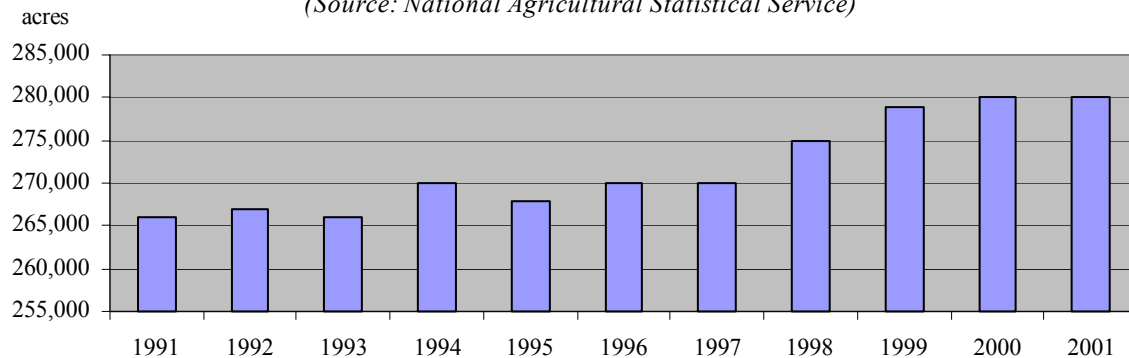
(Source: U.S. Customs Service)

Table 2: U.S. raisin imports (total and from Mexico), in million \$, 1989-2001

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	9.8	8.7	10.0	5.7	7.8	7.2	11.4	11.8	13.6	16.2	29.2	17.9	12.5
Mexico	4.9	2.4	2.9	2.8	3.4	2.9	6.8	7.7	4.7	10.6	8.5	3.6	4.1

(Source: U.S. Customs Service)

**Figure 1: California raisin acreage, 1991-2001**  
(Source: National Agricultural Statistical Service)



**Figure 2: U.S. (California) raisin exports, 1989-2001**  
*(Source: U.S. Customs Service)*

