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

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In 2001, California produced \$841 million worth of strawberries, which was equal to 91 percent of total U.S. spring strawberry production. Total annual U.S. production was \$1,080 million, with Florida being the only producer of strawberries during the winter season (\$167 million). Other spring production states are North Carolina (\$16.6 million) and Oregon (\$15 million).

Acreage and production in California have increased. In 2001, the acreage used in California for the production of strawberries was 25 percent higher than a decade ago (Figure 1). In terms of the value, California strawberry production rose from \$513,000 to \$841,000 over the past 10 years, a 64 percent increase. Production quantity has increased 27 percent from 10.9 million cwt. in 1991 to 13.8 million cwt. in 2001 (National Agricultural Statistical Service).

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

The United States charges 0.2 cents per kilogram on imports during the period from June 15 to September 15 for countries with which normal trade relations are maintained. If imported at any other time of the year, the tariff is 1.1 cent per kilogram. The tariff for frozen strawberries amounts to 11.2 percent. Tariffs are higher for trading partners that have had normal tariff status suspended by specific legislation. It amounts to 2.8 cents per kilogram for fresh strawberry imports at any time of the year and 35 percent for frozen strawberry imports.

The majority of U.S. strawberry trade takes place in North America and has been influenced by the tariff changes under NAFTA. U.S. exports to Canada faced a tariff of 6.61 cents per kg on fresh strawberries and frozen strawberries before the Canadian-U.S. Free Trade Agreement (CUSTA). Beginning in 1989, those tariffs were reduced over ten years and reached zero in 1998.

U.S. fresh strawberry exports to Mexico are no longer subject to tariffs. Prior to NAFTA, Mexico charged a tariff of 20 percent on strawberries, but the tariff was eliminated upon NAFTA's implementation in 1994. The tariff for frozen strawberries, which had amounted to 20 percent, will be phased out in 2003, after a 10-year reduction period. Mexican preserved strawberry tariffs were also immediately eliminated in 1994. Before 1989, the U.S. tariff on fresh strawberry imports was 0.4 cents per kg for the summer period (June 15 to September 15) and 1.7 cents per kg. for the other rest of the year. The tariff for imports of frozen strawberries was 14 percent. All U.S. tariffs for imports from Canada were phased out over ten years.

The tariffs for fresh strawberry shipments from Mexico into the United States (0.4 and 1.7 cents per kg., depending on season) were eliminated in 1994 upon NAFTA's implementation. Imports of frozen strawberries from Mexico faced a U.S. tariff of 14 percent in 1993. With NAFTA, the tariff is being reduced over ten years and will reach zero in 2003. In 2002, the U.S. tariff on frozen strawberry imports from Mexico is 1.4 percent.

### **Exports**

In 2000, about 90 percent of U.S. strawberry exports came from California. Sixty-eight percent of California strawberries were exported to Canada and Mexico. Another 28 percent were shipped to Japan. Fresh strawberries accounted for more than three-fourths of all strawberry exports in 2001. Frozen strawberries were also important at 17 percent and 6 percent of exports consisted of preserved strawberries.

Strawberry exports have grown during the last decade (Table 1). The total value of U.S. fresh strawberry exports increased almost 200 percent from \$38.3 million in 1989 to \$113.9 million in 2001. U.S. strawberry exports have increased 44 percent since 1993, the year before NAFTA. The export of frozen strawberries has varied during the last decade and totaled \$25 million in 2001, only slightly higher than in 1993. However, from 1989 to 1993, U.S. frozen strawberry exports more than doubled. The value of preserved strawberries exported during the NAFTA years has increased from \$1.3 million in 1989 to \$4.6 million in 1993 and to \$9.3 million in 2001.

Fresh strawberry exports to Mexico increased from \$1.7 million in 1993 to \$11.2 million in 2001 (Figure 2). Under NAFTA exports tripled to \$6.2 million in 1994, but fell in 1995 and 1996, probably due to the economic crisis in Mexico. Shipments were slower in 1997 as well, but rebounded in 1998 and reached \$6.8 million in 1999. In 2001 fresh strawberry exports to Mexico peaked at \$11.2 million. Frozen and processed strawberry exports to Mexico were not significant.

The U.S. dominated the Canadian import market for fresh strawberries by holding a 97 percent share (Foreign Agricultural Service, USDA). Fresh strawberry exports to Canada rose from approximately \$19 million in 1989 to over \$81 million in 2001. The figures show a clear upward trend. After exports increased sharply from \$19 million in 1989 to \$50 million in 1992, they averaged \$53 million over the next six years. Exports rose 24 percent to \$71 million in 1999 and another 14 percent to \$81 million in 2001 (Figure 3).

Frozen strawberry exports to Canada are less important, but accounted for 10 percent of total strawberry exports to Canada in 2001. Frozen strawberry exports to Canada rose from \$0.9 million in 1989 to \$9.2 million in 2001.

The value of U.S. strawberry exports to Japan has increased slightly during the last decade. Fresh strawberry shipments to Japan totaled \$19.2 million in 2001, up from \$14 million in 1989. Similarly frozen strawberry shipments from the United States to Japan increased from \$8.4 million in 1989 to \$12.5 million in 2001.

### **Imports**

During the summer period of 2001, when U.S. supply was highest, imports into the United States were relatively low at \$2.1 million in 2001, and mainly originated in Mexico (80.5 percent) and Canada (18.8 percent). During the rest of the year, \$43.7 million worth of fresh strawberries were shipped into the United States in 2001, with Mexico accounting for 96 percent of those shipments. Fresh strawberry imports rose from \$18 million in 1993 (Figure 4) to the present level. Fresh strawberry imports fell sharply in 1997, which was due to freezing weather condition and financial constraints in Mexico (Foreign Agricultural Service, USDA). In 1998, imports from Mexico rebounded to \$63.5 million, but have been lower since then.

Frozen strawberry imports from Mexico have risen 17 percent during NAFTA from \$17.2 million in 1993 to \$20 million in 2001 Imports were higher in 1999 at \$33.4 million.

### **Prices**

The California price for strawberries did not change substantially during the NAFTA period, when taking into account inflation. The adjusted price shows some fluctuation during the 1990s and was at 47.2 cents per pound in 2000 slightly lower than 51.5 cents per pound in 1989. However, prices in 2000 were down from 55.3 cents in the peak year of 1999 in 1996-dollar terms.

### **Sources**

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## Figures and Tables

Table 1: U.S. strawberry exports by type, in million \$, 1989-2001

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Fresh	38.3	67.4	78.5	84.7	79.2	96.4	87.2	90.1	96.7	91.6	106.0	116.6	113.9
Frozen	10.6	20.0	16.3	16.9	24.1	36.3	31.6	27.5	27.5	35.1	31.8	24.5	25.2
Preserved	1.3	2.1	3.7	5.1	4.6	4.2	3.3	4.9	4.7	4.6	5.1	9.7	9.3

(Source: U.S. Customs Service)

Figure 1: Strawberry acreage in California, 1991-2001

(Source: National Agricultural Statistical Service)

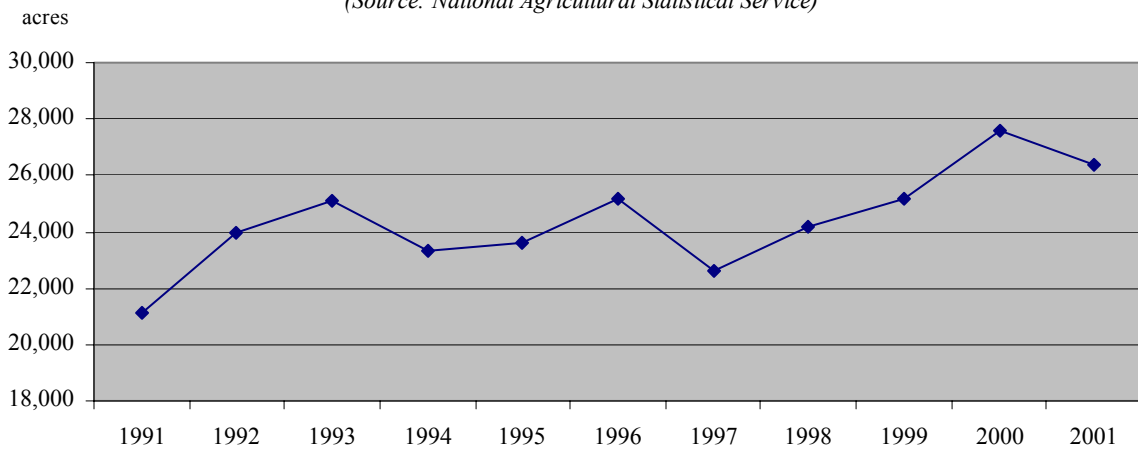
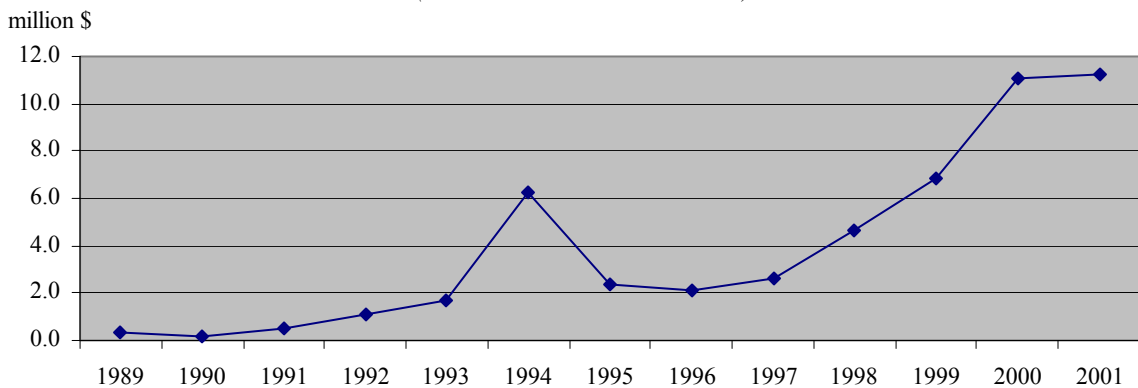
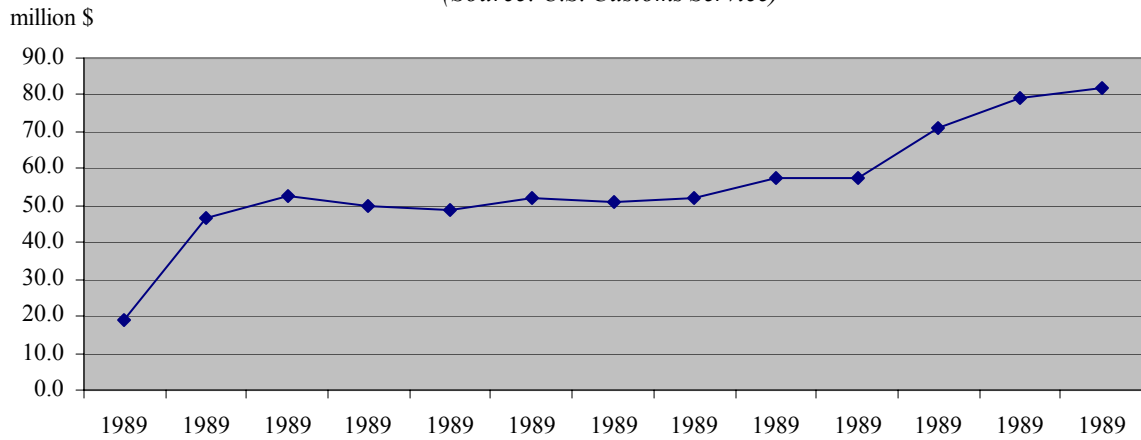


Figure 2: U.S. fresh strawberry exports to Mexico, 1989-2001

(Source: U.S. Customs Service)



**Figure 3: U.S. fresh strawberry exports to Canada, 1989-2001**  
 (Source: U.S. Customs Service)



**Figure 4: Fresh and frozen strawberry imports from Mexico, 1989-2001**  
 (Source: U.S. Customs Service)

