Commodity Profile: Melons

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Overview
Melons belong to the family Cucurbitaceae, which also includes cucumbers. Their history can be traced to 3000 B.C. in Persia and 2000 B.C in Greece and Egypt. Melons are a good source of vitamins K, C, and (for orange-fleshed varieties) beta-carotene.

Demand
The United States is one of the world's leading producers and consumers of vegetables and melons. Total per capita melon consumption, including watermelon, honeydew, and cantaloupe, in the United States has increased over past decades. It peaked in 1999 at almost 30 pounds. Cantaloupe has had the steadiest increase in demand. It reached peak consumption in 2001 at 11.2 pounds per person. Honeydew demand has fluctuated from 1 to 2 pounds per person from the late 1970s until 2001. Watermelon consumption remained mostly steady at about 13 pounds per person from 1995 to 2001.

Supply
Watermelon production accounted for 60 percent of the total domestic melon production, cantaloupe 33 percent, and honeydew 7 percent. Melon production totaled 6.8 billion pounds in 2001. Watermelon supply in the domestic market was 4.6 billion pounds (including imports, which accounted for 12 percent of the supply). Cantaloupe imports made up 32 percent of domestic supply and honeydew imports made up about 28 percent of the domestic melon supply in 2001.

California’s melon acreage accounts for 35 percent of total U.S. melon acreage. California produces 82 percent of the honeydew melons produced in the United States. In 2002, California honeydew production was 3.7 million cwt.

California’s watermelon production in 2002 was 6 million cwt, totaling 15 percent of the U.S. watermelon production. Florida was the most important U.S. watermelon
producer, supplying 19 percent of the United States’ watermelons. Texas (17 percent) ranked second, followed by California and Georgia (13 percent).

Cantaloupe was the most important melon variety grown in California in 2002. California cantaloupe production totaled 13.4 million cwt, totaling 58 percent of the U.S. cantaloupe production. Other big U.S. producers of cantaloupes were Arizona (19.3 percent) and Texas (11.1 percent).

Total California melon production increased from 20.7 million cwt in 1992 to 23.2 million cwt in 2002. Total acreage harvested decreased slightly, from 96,500 acres to 87,100 acres during the same period.

Exports
In 2002, U.S. melon exports reached a value of nearly $99 million, up from $68.4 million in 1990. Over 85 percent of the exports went to Canada. U.S. exports to Canada increased from $56.1 million in 1990 to $84.7 million in 2002 (Figure 1). Exports to Mexico have not been significant.

California accounted for about 40 percent of U.S. melon exports in 2002. Melon exports from California made up 6.4 percent of the total California melon production. Approximately one-third of the total U.S. melon shipments to Canada originated in California. In 2002 the value of California melon shipments to Canada was $29.3 million. The second most important destination for melon exports from California was Japan, which received shipments valued at $8.1 million in 2002.

Imports
The United States is a net importer of melons. The total value of U.S. melon imports in 2002 was $258 million, up from $127.5 million in 1989. Cantaloupe imports were valued at over $139.9 million in 2002 and originated mainly in Costa Rica, Mexico, Guatemala and Honduras. Watermelon imports originated almost exclusively in Mexico and were valued at $47.5 million. More than one-third of total U.S. melon imports originated in Mexico in 2002 (Figure 2). The value of U.S. melon imports form Mexico decreased from $92.6 million in 1989 to $90.4 million in 2002. U.S. imports from Mexico were already relatively high before NAFTA, but fell to $49.1 million in 1993. Since then, however, melon imports from Mexico have been rising.

Although U.S. melon imports from Mexico have increased during NAFTA, the total increase in melon imports from other countries, especially Guatemala, has been higher.

Tariff rates and policy changes resulting from NAFTA
U.S. melon tariffs depend on the type of melon and the season of imports. For imports from countries with which the United States maintains normal trade relations, the tariffs for watermelons range from 9 percent to 17 percent. Cantaloupe imports are charged 12.8 percent or 29.8 percent, and tariffs for other melons range from 1.6 percent to 28 percent. Trade partners without normal trade status with the United States face a uniform tariff of 35 percent when shipping melons into the United States.

Before the Canadian-U.S. Free Trade Agreement (CUSTA), Canada did not impose tariffs on U.S. melon shipments. The Mexican tariff on U.S. melon shipments was 20 percent. Depending on the type of melon and the shipping season, the tariffs were
either cut immediately upon the implementation of NAFTA or are being reduced over 10 years.

The United States had imposed tariffs ranging from 8.5 percent to 35 percent on melon shipments from Canada prior to CUSTA. All tariffs were incrementally reduced and reached zero in 1998.

In 1993, Mexico faced the same U.S tariffs that Canada had faced in 1988. Depending on the type of melon, the United States either eliminated its tariff immediately in 1994 or over five or 10 years. In 1994, a tariff rate quota was put in place for watermelon shipments from Mexico for the May 1 to September 30 period each year. The initial quota amounted to 54,400 metric tons, which was increased by a 3 percent annual increment. In 2002, the quota was 68,912 metric tons. The within-quota tariff in 2002 was 2 percent, while the over-quota tariff amounted to 17 percent. The tariff rate quota expired in 2003. Two tariff classifications remain for certain cantaloupe shipments from Mexico. They will reach zero in 2008.

**Price**
Fresh cantaloupe average season wholesale price has been stable over the last 7 years. The average season price in 2002 was $17.6 dollars per cwt. Fresh honeydew price, however, has been increasing. Average honeydew season price was $9.62 per cwt in 1978. It steadily increased to $21.1 per cwt in 2001 before retreating to $17.9 per cwt in 2002. Cantaloupe and honeydew melons are not available from January to May. Prices for both are lower during the summer and then increase during the fall (until December) (Vegetable and Melon Yearbook, Economic Research Service, USDA, Tables 22, 27, 40).
Sources

Canadian Statistics. Available at http://strategis.ic.gc.ca/sc_mrkti/tdst/tdo/tdo.php#tag


University of California, Davis. Agronomy Department. The Crop of the day: Melon (Cucumis melo) and watermelon (Citrullus lanatus). Available at: http://agronomy.ucdavis.edu/gepts/pb143/crop/melon/melon.htm

Figures

Figure 1: U.S. Melon Exports, 1989-2002
(Source: U.S. Customs Service)
Figure 2: U.S. Melon Imports, 1989-2002
(Source: U.S. Customs Service)