Overview
The tomato is the second most important vegetable crop in the United States, right behind the white potato. More than 8 million tons of tomatoes are produced annually in the United States. Of that, about 1 million are sold as fresh tomatoes and the rest are processed. This doesn't account for tomatoes raised in backyard gardens. Florida and California are the top two tomato producing states.

Demand
Americans ate 5 billion pounds of fresh tomatoes in 2001. At the retail level, that is approximately 14.8 pounds per person (Figure 1). Domestic retail consumption has increased steadily since 1992, from 13.1 pounds per capita to its peak in 1999 at 15.1 pounds. Before 1992, consumption was generally lower, averaging 11.2 pounds from 1960 to 1991.

Total U.S. fresh tomato exports were valued at $135 million in 2002 (Figure 2). Exports rose from $51.2 million in 1989 to $162.3 million in 2000. In 2001 and 2002, imports fell by a total of 18 percent.

The NAFTA partners are the largest export destinations for U.S. fresh tomatoes. Combined, they accounted for over 91 percent of exports in 2002. About 83 percent of U.S. fresh tomato export value went to Canada alone. Most of the fresh tomato shipments to Canada were regular tomatoes. More than 6 percent were cherry tomatoes and 5 percent were Roma tomatoes. Total U.S. tomato exports to Canada ($111.7 million) were down 3 percent in 2002 from 2001, when exports were $115 million (Table 1). Compared to 1989, however, when exports were $47.8 million, the value of exports has more than doubled. Exports to Canada peaked in 1992 at $128.7 million. About one-fourth of all U.S. fresh tomato exports to Canada originate in California. California fresh tomato exports to Canada increased from $16.9 million in 1990 to $27 million in 2002. Shipments from California peaked at $32.8 million in 2000.

The majority of U.S. fresh tomato exports to Mexico originated in California. Trends in exports from California to Mexico follow the general trend of exports from the
United States. The value of U.S. fresh tomato exports to Mexico more than doubled from $10.2 million in 1993, the year before NAFTA, to as much as $22.2 million in 2000 (Table 2; Figure 3). Exports were much lower in 2002, with only $11.6 million in fresh tomatoes shipped to Mexico.

Weather and economic instability in Mexico caused large fluctuations in U.S. fresh tomato exports to Mexico (Figure 3). For example, in 1995, the value of U.S. exports to Mexico fell to $1.4 million, down from $13.9 million in 1994. The Mexican economic crisis contracted consumer demand. Interestingly, U.S. fresh tomato imports from Mexico rose during that time, as the devaluated peso made Mexican exports more competitive in the U.S. market. Furthermore, in 1994-95, the tropical storm Gordon damaged crops in Florida, while growers in Sinaloa (Mexico) experienced extremely favorable weather that caused production to exceed expectations (ERS, USDA).

Supply
Tomatoes are grown in every state but Alaska. According to the USDA’s National Agricultural Statistics Service, the leading producers of fresh tomatoes in 2002 were Florida and California. Together they accounted for 70 percent of the value of U.S. fresh tomato production in 2002. Florida ranked first with 44 percent, while California accounted for 23 percent of the production value. Florida produced 14.4 million cwt, valued at over $508.3 million in 2002.

In California, fresh tomatoes are grown in many counties during all seasons except winter. San Diego County is the leading producer in the spring and fall, while Fresno County dominates production in the summer.

While acreage for fresh tomato production has decreased 13 percent in Florida since 1992, California acreage has increased by 7 percent. In Florida, acreage dropped from 51,500 acres to 45,000 acres. Acreage in California rose from 36,000 acres in 1992 to 38,500 acres in 2002.

Florida has lost its dominant position as the most important fresh tomato producer in the United States over the past decade. Its figures have decreased in production quantity, value and acreage since 1992. In 1992, Florida produced 20.9 million cwt of fresh tomatoes, valued at $821.8 million. By 2002, production was 14.4 million cwt, and was valued at $508.3 million. Production in California increased from 10.1 million cwt in 1992 to 10.8 million cwt in 2002.

Declines in tomato prices in constant 1996 dollars have decreased the value of tomatoes (Figure 4). Traditionally, the Florida price per ton has been higher than the California price, as well as the national average price. Tomato prices have fluctuated during the period from 1992-2002. The average national 2002 price was $28.38 per ton, down from the peak price of $38.98 per ton in 1992. The price was lowest in 1999 at $24.7 per ton.

Because fresh-market tomatoes are available year-round in the United States, the winter shortage in supply from California producers is compensated by Mexican imports. Florida produces tomatoes during the winter, but its yield is primarily shipped to the eastern half of the United States (Economic Research Service, USDA). The western half, including California, receives imports from Mexico.

Generally, fresh-market tomato shipments peak in the spring when Florida production is the highest and California and southeastern states are just beginning to ship
tomatoes. During August and September, U.S. commercial value and prices are the lowest due to higher supplies of locally grown tomatoes in most states.

The United States is a net importer of fresh tomatoes, and imports make up a large portion of U.S. fresh tomato consumption. The value of total imports more than doubled from $325 million in 1993 to $795 million in 2002 (Table 2). Mexico is the main source for imported fresh tomatoes, supplying over 69 percent of fresh tomato imports. Canada is second; most Canadian shipments into the United States are greenhouse and hydroponics tomatoes. The NAFTA partners supply roughly 90 percent of the fresh tomato imports into the United States, depending on the season. During the spring, fall and winter, Mexico is by far the largest supplier of tomatoes to the United States, but during the summer months, the total value of imports from Canada is higher than from Mexico. However, total imports during the summer are relatively low due to high U.S. supply.

Imports from Mexico were already significant prior to 1993 (Figure 5). During the post-NAFTA period, imports peaked at $580.4 million by 1996. Imports decreased in 2000, but rose again in 2001 and 2002 to more than $552.2 million. The total value of imports increased around 81 percent from 1993 to 2002.

U.S. fresh tomato imports from Canada have shown an enormous increase as well. In 1989, when CUSTA was implemented, the United States imported fresh tomatoes valued at $2.9 million. Thirteen years later in 2002, imports from Canada were valued at $172.6 million. The value of imports has risen continuously during the past decade. By 1994, it had reached $10.3 million and in 1998, $100.5 million. By 2002, fresh tomato imports from Canada into the United States had risen another 71 percent to $172.6 million. The ERS of the USDA has attributed the general increase to a niche-market for high-quality greenhouse and hydroponics tomatoes in the United States. Less than 2 percent of imports from Canada were cherry or Roma tomatoes.

**Tariff rates and policy changes resulting from NAFTA**

The United States imposes two tariff rate seasons. Fresh tomato imports during the period from Mar 1 to July 14 and the period from Sept 1 to Nov 14 are charged 3.9 cents per kilogram. Throughout the rest of the year, the tariff for fresh tomato imports into the United States is 2.8 cents per kilogram. These tariffs refer to imports from countries with which the United States maintains normal trade relations. Imports from trading partners without normal trade status with the United States face a tariff of 6.6 cents per kilogram at any time of the year.

Prior to the Canadian-U.S. Free Trade Agreement (CUSTA), the seasonal Canadian tariff was 5.51 cents per kilogram. The tariff was applied during a period specified by the government and could not exceed 32 weeks in any 12-month period ending March 31. After implementing CUSTA, the tariff decreased in equal steps until it was eliminated in 1998.

Before NAFTA, Mexico imposed a 10 percent tariff on fresh tomato imports from the United States. With NAFTA, Mexico matched U.S. tariff lines, specific duties, and transition periods for tomatoes (see section below on U.S. imports from Mexico).

Before CUSTA, four tariff seasons for fresh tomatoes were in place in the United States. The tariff amounted to 3.3 cents per kilogram on shipments from July 15 to August 31 and from November 15 to the last day of February. For the periods from
March 1 to July 14 and September 1 to November 14, the tariff was 4.6 cents per kilogram. In the case of Canada, these U.S. tariffs were reduced in equal amounts over ten years until they reached zero in 1998.

In 1993, before NAFTA, Mexico faced the same tariff rates and seasons in the United States as Canada before CUSTA. After implementing NAFTA, the tariffs for Mexican tomatoes during July 15 to August 31 and September 1 to November 14 were phased out over 5 years, beginning in 1994. The remaining tariffs are being phased out over 10 years. During the transition, a tariff-rate quota is in effect for each phase-out period. In the first year of NAFTA, that quota amounted to 165,000 metric tons (March 1 to July 14) and 172,300 metric tons (November 15 to the last day of February). It is increasing 3 percent annually during the 10-year transition, and amounted to 209,650 metric tons for the spring period of 2002. The quota was eliminated in 2003. For the period from November 15, 2002, to February 28, 2003, the tariff rate quota amounted to 218,264 metric tons. The quantitative limitation ended beginning March 1, 2003.
Sources

Canada Statistics.  Trade Data Online.  Available at:  


Tables and figures

Table 1: U.S. Fresh Tomato Exports (to Mexico and Canada), in million $, 1989-2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (all)</td>
<td>51.2</td>
<td>84.8</td>
<td>110.4</td>
<td>140.2</td>
<td>122.3</td>
<td>119.8</td>
<td>102.0</td>
<td>99.7</td>
<td>131.1</td>
<td>120.5</td>
<td>122.7</td>
<td>162.3</td>
<td>146.4</td>
<td>135.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.4</td>
<td>2.1</td>
<td>4.3</td>
<td>9.7</td>
<td>10.2</td>
<td>12.9</td>
<td>1.4</td>
<td>1.9</td>
<td>13.4</td>
<td>3.7</td>
<td>22.2</td>
<td>20.3</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>47.8</td>
<td>80.4</td>
<td>101.9</td>
<td>128.7</td>
<td>111.0</td>
<td>104.6</td>
<td>98.4</td>
<td>93.6</td>
<td>108.7</td>
<td>107.4</td>
<td>104.1</td>
<td>121.2</td>
<td>115.0</td>
<td>111.7</td>
</tr>
</tbody>
</table>

(Source: U.S. Customs Service)

Table 2: U.S. Fresh Tomato Imports, in million $, 1989-2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>229.9</td>
<td>377.7</td>
<td>260.2</td>
<td>145.6</td>
<td>325.6</td>
<td>343.9</td>
<td>450.5</td>
<td>672.5</td>
<td>648.7</td>
<td>757.9</td>
<td>689.3</td>
<td>640.3</td>
<td>721.6</td>
<td>795.2</td>
</tr>
</tbody>
</table>

(Source: U.S. Customs Service)
Figure 1: U.S. Retail Per Capita Fresh Tomato Consumption, 1960-2001
(Source: USDA Economic Research Service)

![Graph showing U.S. Retail Per Capita Fresh Tomato Consumption, 1960-2001](image)

Figure 2: U.S. Fresh Tomato Exports, 1989-2002
(Source: U.S. Customs Service)

![Graph showing U.S. Fresh Tomato Exports, 1989-2002](image)
Figure 3: U.S. Fresh Tomato Exports to Mexico, 1989-2002
(Source: U.S. Customs Service)

Figure 4: U.S. Tomato Prices (in 1996 dollars), 1992-2002
(Source: National Agricultural Statistics Service)

Figure 5: U.S. Fresh Tomato Imports from NAFTA partners, 1989-2002
(Source: U.S. Customs Service)