



Agricultural Issues Center
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Commodity Profile: Raisins

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Overview

Raisin comes from the Latin word *racemus* and means "a cluster of grapes or berries." History books note that grapes were sun-dried as raisins as far back as 1490 B.C. The first vineyards were developed between 900 and 120 B.C. in Greece, southern Spain, and Persia. By the 14th century, raisins became an important part of European cuisine.

In the United States, raisins are produced almost entirely in the Fresno area in California's Central Valley (USDA, ERS 2003). Arizona produces a small fraction of all grapes used for making raisins. The long, hot growing season and abundant water supplies in the Central Valley helped turn this region of California into the center of the U.S. raisin industry. The main grape variety used for raisins is Thomson Seedless.

Demand

Per capita consumption of dry grapes (raisins) has been fluctuating in a downward trend over the past 10 years. The peak per capita consumption of over 2 pounds (on a dried basis) reached in 1988 fell to 1.47 pounds in 2001.

Supply

California, with over 5.7 million tons, accounted for 91 percent of all U.S. grape production in 2003. Thirty-seven percent of the California production was raisin grapes. California is the nation's only commercial producer of raisins. On a fresh-weight basis, California produced 2.1 million tons of raisin grapes in 2003, down from about 2.8 million tons in 2002. Depressed prices were partly responsible for lower production in 2003. California raisin production has fluctuated during the past decade, but the total quantity produced changed little from 1991 to 2002. The acreage used to grow grapes for raisins in California increased slightly from 266,000 acres in 1991 to 280,000 in 2000, but fell sharply to 235,000 in 2001 (Figure 1). In recent years acreage recovered somewhat to 255,000 in 2003.

On a dried basis, California raisin production amounted to 336,300 tons in 2003, down from 388,300 tons in 1992 (Figure 2).

Exports

The United States is a net exporter of raisins with California being the only exporting state. On a weight basis, after Turkey and Iran, the United States is the third largest exporter of raisins. In dollar terms, however it leads the world in raisin exports. In 2003, U.S. exports amounted to \$164.7 (Table 1).

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Total exports have increased continuously during the CUSTA years and the early years of NAFTA. In 1989, U.S. exports worldwide 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. Since then, U.S. raisin exports have been a little higher at \$152 million in 2002 and \$165 million in 2003.

Raisin exports to Canada increased from \$11.7 million in 1989 to \$23.1 million in 2003 (Table 1). In 1989, 8 percent of total exports were shipped to Canada. By 2003 that figure had risen to 14 percent. Because of such increases, Canada became more important as an export destination for California grapes during the CUSTA and NAFTA years.

Exports to Mexico amounted to only \$2 million in 2003, up from \$700,000 in 2001. 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

Total U.S. imports have varied since 1989 (Table 2), but increased from \$9.8 million in 1989 to \$11.7 million in 2003. Imports peaked in 1999 at \$29.2 million. The largest share of raisin imports into the United States in 2003 came from Chile (\$6.8 million). Mexico, with \$4.1 million in imports, was a close second to Chile in 2001. In 2002, however, imports from Mexico dropped to \$2.6 million, less than half of Chile's raisin exports to the United States. That trend continued in 2003 with Mexico shipping raisins valued at \$2.5 million to the United States. Another source of imports was South Africa at \$1.6 million in 2003.

Imports were already high before NAFTA, reaching \$10 million in 1991. During NAFTA, imports increased until 1999 after which they decreased to \$17.9 million in 2000 and to \$11.7 million in 2003. 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.

Overall, imports of raisins from Mexico did not increase substantially during NAFTA. Imports in 2003, were lower than in 1993.

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 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. Tariffs for Mexican imports were eliminated with the implementation of NAFTA in 1994.

Prices

After adjusting for inflation, the returns to the California raisin industry did not change substantially during the early 1990s until 1999, always varying at around \$1000 per ton on a dried basis in 2000 dollar terms. In 1992, the price was almost \$1,055 per ton in 2000 dollars terms. However, in 2000, returns fell dramatically to less than \$570 per ton (in 2000 dollar terms). In 2002, they were even lower at \$418 per ton. In 2003, the California raisin prices recovered somewhat to \$492 per ton in 2000 dollar terms. In nominal dollar terms (without adjusting for inflation in 2000 dollars terms) the 2003 price was \$520 per ton.

Sources

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Figures and Tables

Table 1: U.S. raisin exports (total and to NAFTA partners), in million \$, 1989-2003

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
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	144.1	151.9	164.7
Can	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	21.6	23.1
Mex	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	1.0	2.0

(Source: U.S. Customs Service)

Table 2: U.S. raisin imports (total and from Mexico), in million \$, 1989-2003

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
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	13.1	11.7
Chile	2.8	5.1	6.9	1.8	2.0	1.9	2.5	2.4	4.3	2.8	8.0	7.9	4.6	5.2	6.8
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	2.6	2.5

(Source: U.S. Customs Service)

Figure 1: California Raisin Acreage, 1991-2003

(Source: National Agricultural Statistical Service)

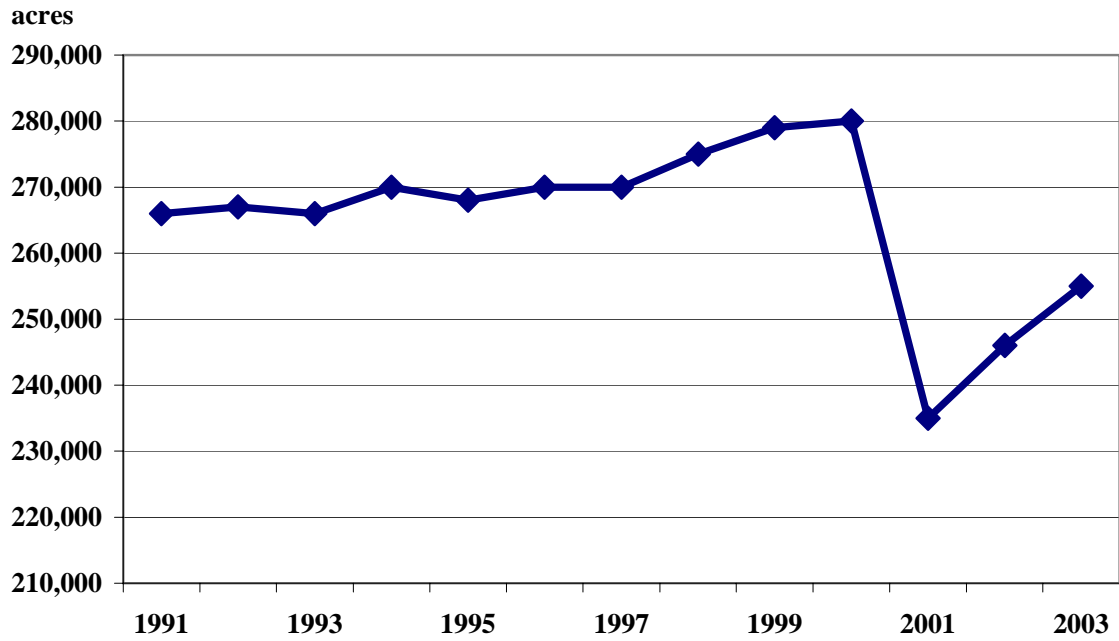


Figure 2: California Raisin Production, Dried Basis, 1992-2003

(Source: National Agricultural Statistical Service)

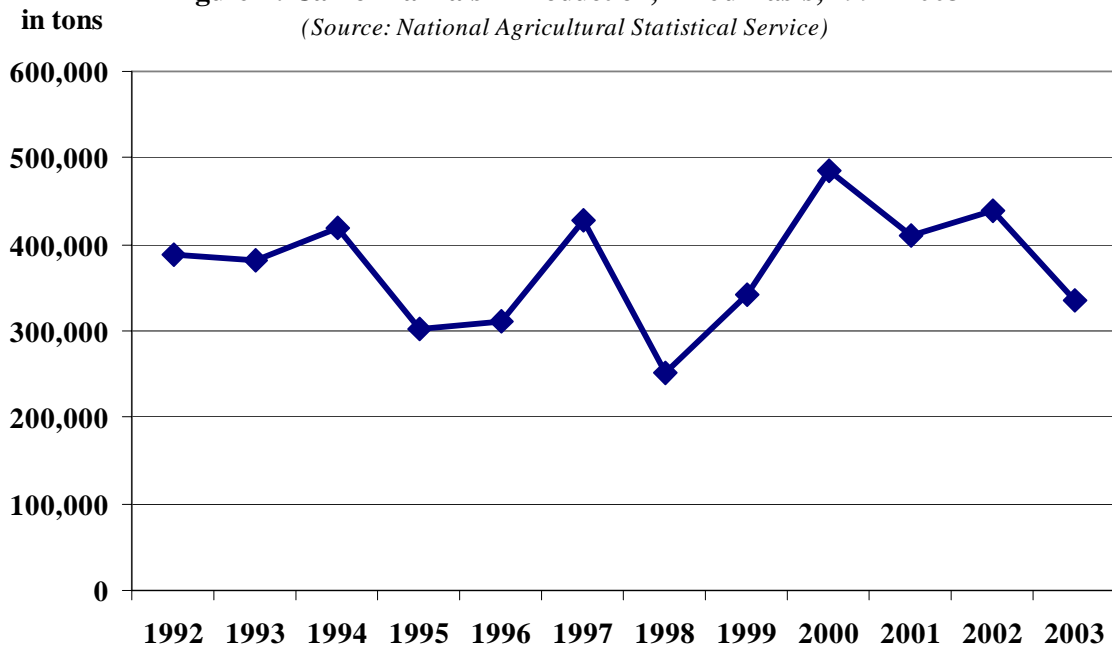


Figure 3: U.S. (California) raisin exports, 1989-2003

(Source: U.S. Customs Service)

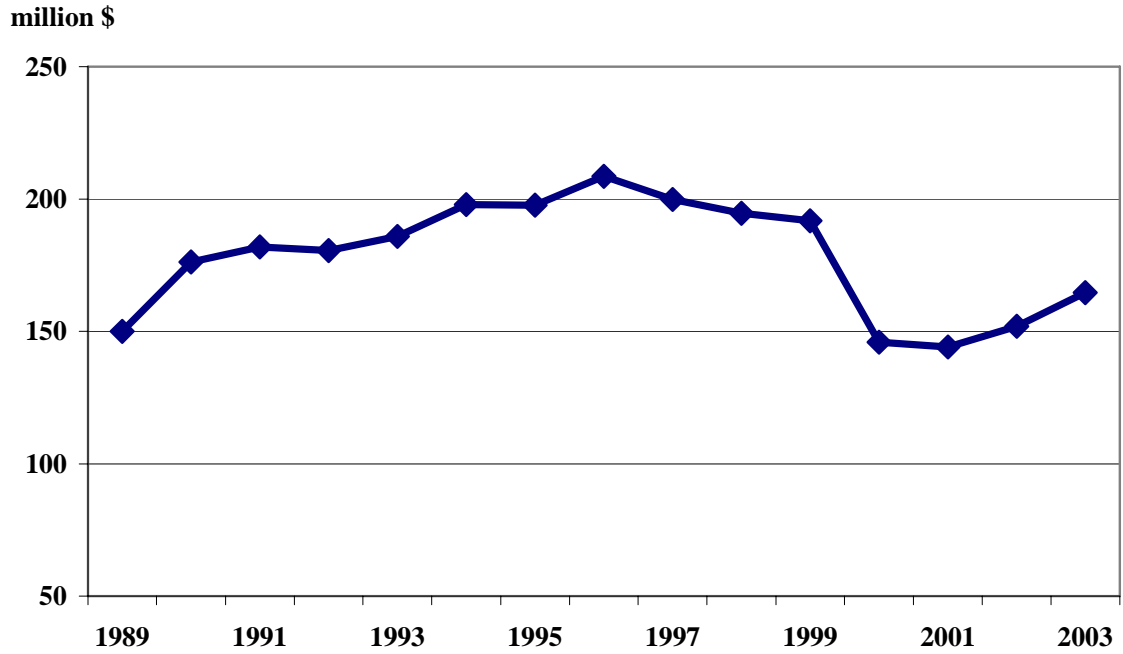


Figure 4: U.S. Raisin exports to major export partners, 1989-2003

(Source: U.S. Customs Service)

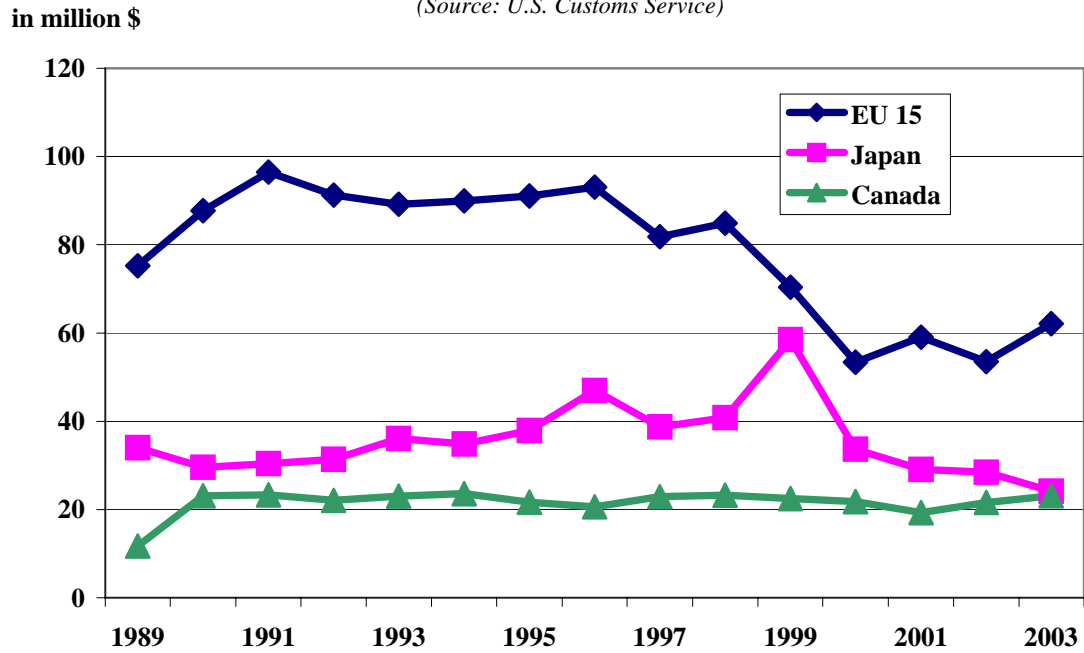


Figure 4: U.S. Raisin exports to major export partners, 1989-2003

(Source: U.S. Customs Service)

in million \$

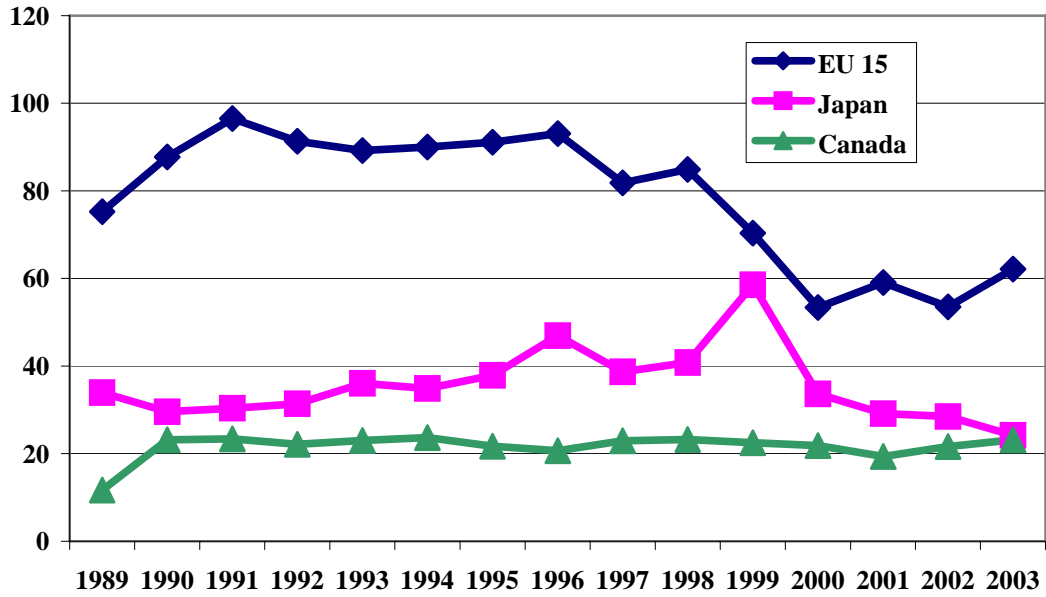


Figure 5: California Raisin Price, Real (in 2000 Dollars), 1992-2003

\$/ton

