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Imports Play a Growing Role in the American Diet

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Although food imports account for a relatively small share of the total U.S. diet, they play an important and growing role. Imports accounted for 13 percent of the fresh fruit (excluding bananas), 8 percent of the fresh vegetables, 7 percent of the red meat, and more than one half of the fresh, frozen, and processed fish and shellfish available for consumption in the U.S. food supply during 1991-95. Imports have increased as a share of consumption for many major foods over the past 10 years, with some of the largest percentage gains in frozen vegetables (1.8 to 7.2 percent), fresh melons (8.8 to 13.9 percent), other fresh noncitrus fruit, excluding bananas (9.0 to 15.9 percent), and rice (2.4 to 9.2 percent) (table 1).

Imports have long played an important role in the American diet by providing fresh fruits and vegetables year-round and by helping to hold down retail prices when domestic supplies fall short due to severe weather or other disruptions in U.S. production. For example, following the almost total destruction

of U.S. lime trees by Hurricane Andrew in 1992, a surge in lime imports from Mexico helped maintain domestic supplies and kept retail lime prices from otherwise sharply increasing.

Imports also provide American consumers with such dietary mainstays as coffee, tea, bananas, spices and herbs, and cocoa products, since U.S. production of these commodities is limited by climatic and other factors. The United States imported an average of 13.3 billion pounds of these and other tropical products each year during 1991-95, accounting for nearly 100 percent of total domestic use of these foods.

For many consumers, however, those products represent only a fraction of the wide variety of imported fresh fruits, vegetables, meats, cheeses, and processed food products that they have come to expect in their local supermarket. Increased consumption of imported foods is driven by many of the same factors underlying other changes in the American diet—rising household incomes, growth in the away-from-home food market, increased ethnic diversity of the population, and growing interest in diet and health. For example, the health benefits attributed to “Mediterranean” diets high in olive oil have likely been a major force behind the 227-percent

increase in olive oil imports over the past 10 years.

U.S. participation in global and regional trade agreements, such as the North American Free Trade Agreement (NAFTA) and the Uruguay Round Agreement of the General Agreement on Tariffs and Trade (GATT), also has increased the availability and affordability of imported foods through reduced trade barriers.

A strong U.S. dollar relative to other currencies has also contributed to the upswing in imports by making foreign foods more affordable in the United States. In the case of Mexico, a strong U.S. dollar coupled with the devaluation of the peso and Mexican recession in 1994 and 1995 (which reduced domestic demand for fresh produce) made fresh fruits and vegetables from Mexico less expensive for U.S. consumers, boosting U.S. consumption of imports. For example, U.S. imports of six fresh vegetables—tomatoes, bell peppers, cucumbers, squash, eggplant, and snap beans—rose by more than half from 1.8 billion pounds in 1994 to 2.9 billion pounds in 1996.

Adoption of new production technology, marketing infrastructure, and other technological improvements by exporting countries have enabled foreign products to meet the

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Table 1
Imports' Share of Consumption Grows for Many Foods

Selected commodities	Import quantity		Imports' share of total consumption	
	1991-95	1981-85	1991-95	1981-85
Million pounds				Percent
Vegetables:				
Fresh	3,468	2,288	7.8	6.5
Processing ¹	2,520	1,668	5.3	4.6
Canning	1,083	1,415	4.0	6.4
Freezing	1,438	253	7.2	1.8
Fresh fruit:				
Melons	915	453	13.9	8.8
Citrus	351	108	5.8	2.0
Bananas	6,938	5,196	99.8	99.9
Other noncitrus ²	2,966	1,335	15.9	9.0
Grains:				
Wheat flour	6,739	1,673	1.8	.6
Wheat	76	8	8.9	1.2
Rice	6	1	9.2	2.4
Pulses:				
Dry beans	74	57	3.8	4.1
Dry peas and lentils	29	17	21.9	16.7
Peanuts	47	2	2.4	.1
Dairy:				
American cheese	19	21	.7	.8
Other cheese	295	262	7.7	12.3
Total cheese	314	283	4.6	5.9
Meat, poultry, fish:				
Total red meat ³	3,109	2,744	7.3	6.7
Beef	2,344	1,910	9.6	7.7
Pork	713	788	4.1	5.1
Lamb	51	25	14.0	6.6
Poultry	0	0	0	0
Fish and seafood	2,151	1,613	56.0	50.9
Fresh and frozen	1,649	1,264	64.1	63.3
Canned	432	283	36.3	25.6
Cured	69	66	87.6	95.0
Edible fats and oils: ⁴	2,835	1,658	13.0	10.0
Olive	255	78	100.0	100.0
Canola ⁵	908	NA	87.5	NA
Tropical oils ⁶	1,582	1,566	100.0	100.0
Sugar and sweeteners: ⁷				
Cane and beet sugar	1,629	3,009	18.3	33.9
Corn sweeteners	152	81	2.2	1.8
Other	20	6	1.8	1.3
Selected tropical products:				
Coffee	2,439	2,400	99.9	99.9
Cocoa	1,523	999	100.0	100.0
Spices and herbs	587	394	90.1	84.2
Tea	248	181	100.0	100.0

Notes: NA = Not applicable. ¹Farm-weight equivalent, excludes canned and frozen legumes. ²Excludes bananas and melons. ³Carcass-weight equivalent. ⁴Includes some industrial uses of edible fats and oils. ⁵Canola oil was not approved for human use by the U.S. Food and Drug Administration until 1985. ⁶Palm oil, palm kernel oil, coconut oil. ⁷Dry-weight basis. Source: USDA's Economic Research Service.

quality and safety standards of American consumers and also boosted the comparative advantage of imported foods in the U.S. marketplace. For example, Mexico's adoption of less perishable Extended Shelf Life (ESL) varieties, along with yield-enhancing production technology, have given tomatoes from Mexico an advantage in the U.S. fresh tomato market during the 3-month peak import period. The bright-red color and firmness of vine-ripened ESL varieties are viewed more favorably by U.S. consumers than the mature green type grown in Florida, the main U.S. producer of fresh-market tomatoes. ESL varieties do not grow well in Florida because heavy rains common during the growing season cause the tomatoes to crack on the vine, making them unmarketable in their fresh form.

Off-Season Trade Drives Fruit and Vegetable Imports

Fresh fruit and vegetable imports are concentrated in the U.S. off-season, thereby providing year-round availability and affordability. Seasonally adjusted tariff-rate quotas help protect many domestic fruit and vegetable producers from import competition during the U.S. growing season. But during the U.S. off-season (which depending on the commodity runs from September to early March), imports account for a significant share of total available supplies (fig.1).

Increased imports of some fresh noncitrus fruit has nearly doubled the imported share of total fresh fruit consumption from 7 to 13 percent (excluding bananas) since 1986. The increase can be attributed mainly to a surge in imports of peaches, pears, plums, and table grapes from Chile, the largest winter

fruit supplier to the United States. Chile has maintained a steady share of the U.S. fruit market since the mid-1980's, when economic reforms and trade liberalization substantially increased Chile's export capacity (fig. 2).

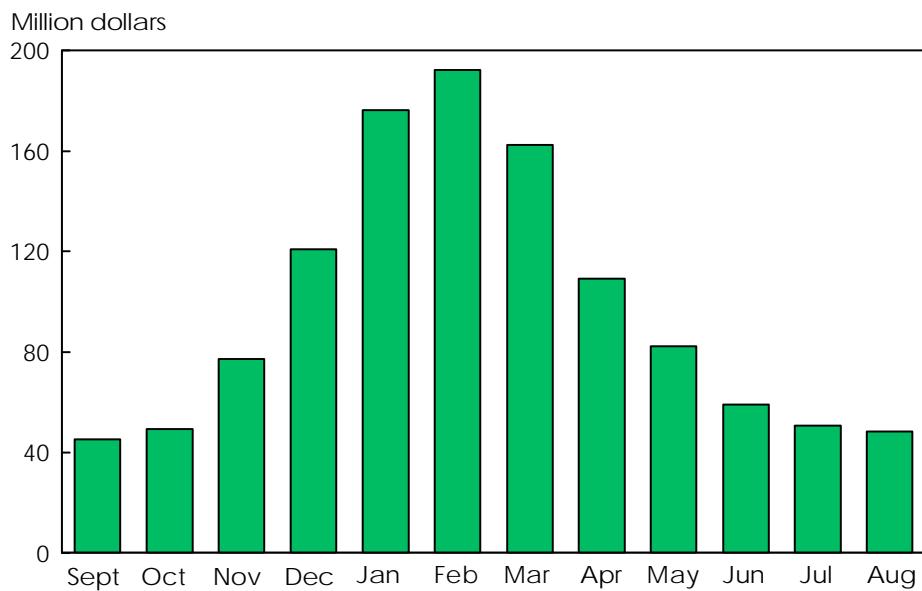
The imported share of processed vegetables has also grown over the past 10 years—albeit more modestly than the growth in fresh products—from 4.6 to 5.3 percent of total U.S. supplies. A nearly six-fold increase in frozen vegetable imports, led by frozen french fries from Canada and frozen broccoli from Mexico, was largely behind the growth in processed vegetable imports. Increased imports of frozen products offset a steady decline in canned tomato imports, resulting in a small net increase in processed vegetable imports. Imports dropped from 7.5 percent of canned tomato consumption in 1981-85 to 3.5 percent in 1991-95, as U.S. processing capacity expanded in response to soaring consumer demand for pizza, salsa, and tomato-based pasta sauces.

The United States also imports significant quantities of processed fruits, including prepared and preserved pineapples, oranges, banana pulp, jams, and fruit juices. For example, 55 percent of the apple juice (single-strength equivalent) in the U.S. market is imported (mostly in the form of frozen concentrates from Germany), as is 22 percent of orange juice (mostly frozen concentrates from Brazil).

Seafood Imports Large Compared to Meat

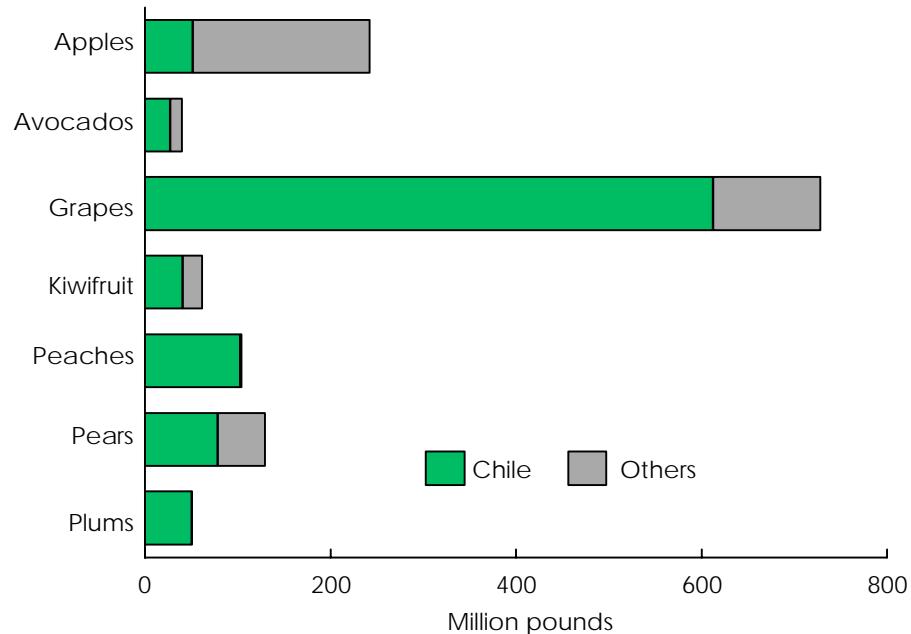
Imports account for 56 percent of the total fish and seafood eaten in the United States, up from about half in 1981-85. Of the more than 2.1 billion pounds of these products imported in 1991-95, just over 40

Figure 1
Fresh Vegetable Imports Peak in the Off-Season



Note: 1993-95 average.

Figure 2
Chile Is the Largest Supplier of Imported Fresh Noncitrus Fruits



Note: 1991-95 average.

percent were shrimp and canned tuna. A wide variety of others make up the remainder, including salmon, haddock, perch, sardines, mackerel, crabs, scallops, and squid. The bulk of fish and seafood imports—over 60 percent—enter the country frozen, with the remaining imports almost evenly split between fresh or chilled and processed.

Imports account for a much smaller share of red meat consumption relative to fish and seafood. They averaged 3.1 billion pounds per year during 1991-95, and accounted for 7 percent of total red meat supplies—reflecting a moderate increase over 10 years ago. Although relatively small in total volume, imported lamb accounted for the greatest share of U.S. consumption, at 14 percent (mostly from New Zealand), followed by beef (10 percent), and pork (4 percent). Fresh, frozen, and chilled meats—most of which is purchased for further processing—make up the bulk of red meat imports. Canned hams and corned beef are important processed meat imports.

Growing Imports of Olive and Canola Oils

Imports accounted for 13 percent of the 22 billion pounds of edible fats and oils consumed annually in the United States in 1991-95, up from 10 percent a decade before. Most of the increase was due to canola oil, approved for human food use by the U.S. Food and Drug Administration only in 1985. It now accounts for a third of total edible fat and oil imports. Also, imports of olive oil more than tripled from 10 years ago. Imports of tropical oils (palm oil, palm kernel, and coconut oil), however, have declined annually since 1993 as food manufacturers have switched to oils with less saturated fat.

Rice and Pasta Imports Growing Too

The United States is a net exporter of most rough and semiprocessed grains, such as wheat, wheat flour, corn, oats, and barley, with imports accounting for less than 2 percent of total consumption in 1991-95.

Rice imports, however, fueled by a growing demand for basmati and other specialty rices used widely in ethnic foods, have more than tripled over the past 10 years to 9.2 percent of total rice consumption. The bulk of imported rice comes from Thailand.

Imports of more processed grain products have also grown considerably in the 1990's. Pasta imports, for example, increased by 65 percent between 1991 and 1995. Italy is the major supplier of imported pasta to the United States.

Imported Cheeses Accounting for Declining Share of U.S. Total

Imports accounted for less than 2 percent of total U.S. dairy product consumption in 1991-95, and have remained a steady share of consumption since 1981-85. Most of these dairy imports were cheeses from Europe, New Zealand, and Australia.

Cheese imports as a share of total U.S. consumption have declined over the last decade, from 5.9 percent in 1981-85 to 4.6 percent in 1991-95, due mostly to a sharp increase in consumption of domestically produced mozzarella cheese. The shares differ markedly by type of cheese, with imports accounting for less than 1 percent of consumption of American cheese, but 8 percent of other cheeses. Swiss cheese, cheeses from sheep's milk (including Pecorino and Roquefort), and Italian-type cheeses (such as Parmesan, Reggiano, and Romano)

accounted for nearly half of total cheese imports.

Food Imports Offer Benefits and Concerns

Clearly, food imports offer consumers myriad benefits in terms of increased dietary variety, price stability, and year-round availability of popular food products.

With the recent attention to food-borne illness, some are concerned about the safety of foreign foods. Recent outbreaks of foodborne illness, some of which have been linked with imported foods, have increased public concern over whether there is a higher risk of foodborne illness from consumption of imported foods due to differences in water quality and farming practices in foreign countries. Others have concerns about the safety of imported produce from countries where chemical use may be less regulated and residue testing less frequent or sophisticated than in the United States.

On October 2, 1997, President Clinton announced an initiative to improve safeguards to ensure the safety of domestic and imported produce. The initiative calls for increased surveillance and testing of imported fresh fruits and vegetables to ensure that they meet the highest safety standards. Officials continue to work with producers in foreign countries to eliminate sources of foodborne illness and keep pesticide residues within safe limits.

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