

Private Sector Trade Note



CARICOM's Fresh Pineapples Trade

► GLOBAL FRESH PINEAPPLE TRADE OVERVIEW

Fresh pineapple represents another international trade opportunity that can be promoted through international trade negotiations, and this Trade Note will highlight recent trade performance, and the tariff treatment that can be expected in major international markets. In 2010, fresh pineapple

import trade represented a US\$2.2bn global market. The USA was the top import market accounting for over 26% of global fresh pineapple sales in 2010. Other top import markets for fresh pineapple in 2010 included Belgium; Germany; The Netherlands; The United Kingdom; Italy; Spain and Japan. These countries jointly accounted for under three-quarter (73%) of global fresh pineapple import expenditure in 2010 (see table 1).

Recently, world import spending on fresh pineapples has not been very dynamic. Whereas global merchandise import spending grew by 3% per annum between 2006 and 2010, import spending on fresh pineapples was consistent with this rate of growth (see table 1). The growth trend improved between 2009 and 2010, expanding to 5% growth in this period. Fresh pineapple import expenditure in The United Kingdom; Portugal; The Russian

Table 1: Top Importing Markets for Fresh Pineapples

Importers	2010 import spending(US\$'000)	2010 import volume (ton)	2010 import (USD/ton)	Average import spending growth 06/10 (%)	Average import volume growth 06/10 (%)	Average import spending growth 09/10 (%)	world import share (%)	Average tariff (%)
World	2,187,972	2,706,872	808	3	3	5	100	
United States of America	585,167	815,872	717	4	5	11	26.7	0.5
Belgium	209,454	258,913	809	-1	1	-13	9.6	1.1
Germany	179,064	183,325	977	4	5	-8	8.2	1.1
Netherlands	153,476	184,401	832	-4	-6	21	7	1.1
United Kingdom	138,861	155,255	894	6	11	2	6.3	1.1
Italy	122,086	142,059	859	-1	1	-1	5.6	1.1
Spain	103,592	117,797	879	4	4	-1	4.7	1.1
Japan	101,403	142,588	711	5	-3	-9	4.6	9.6
Canada	97,402	103,251	943	1	-1	10	4.5	0
France	83,074	96,934	857	-4	-4	1	3.8	1.1
Portugal	61,434	73,104	840	13	14	6	2.8	1.1
Russian Federation	47,161	48,334	976	22	13	59	2.2	5.8
Republic of Korea	44,779	60,565	739	-2	-3	16	2	30

Source: International Trade Centre, www.trademapp.org [Retrieved February 24, 2012]

Federation; China; Switzerland; Lithuania and The Czech Republic have exhibited dynamism.

In one respect, the fresh pineapple market seems protected, as tariffs figure as an impediment to trade for most of the top import markets. In 2010, only Canada did not impose trade duties on imports of fresh pineapples. In 2010, Canada accounted for 4.5% of global fresh pineapple import spending. Other duty free markets for fresh pineapples in 2010 included, Saudi Arabia; Hong Kong; Norway; New Zealand; Singapore; Oman; Australia; Aruba; Iceland; Macao; Bahrain; Georgia and Cape Verde. These markets jointly accounted for a little more than 6% of global import spending on fresh pineapples in 2010.

Costa Rica was the top exporter of fresh pineapple in 2010 accounting for over 44% of global export sales. Other top exporters of fresh pineapple in 2010 included, Belgium (13.5% of global export sales); The Netherlands (8.8% of world export sales); the USA (6.7% of global sales); and The Philippines (2.8% of world export sales). The fresh pineapple market is dominated by a few countries, as the top five export suppliers accounted for almost four fifths (76%) of global exports in 2010. The most dynamic exporters between 2006 and 2010 included Romania (182% growth in export sales); Turkey (138% growth); Hong Kong, China (106% growth); and The Dominican Republic (93% growth).

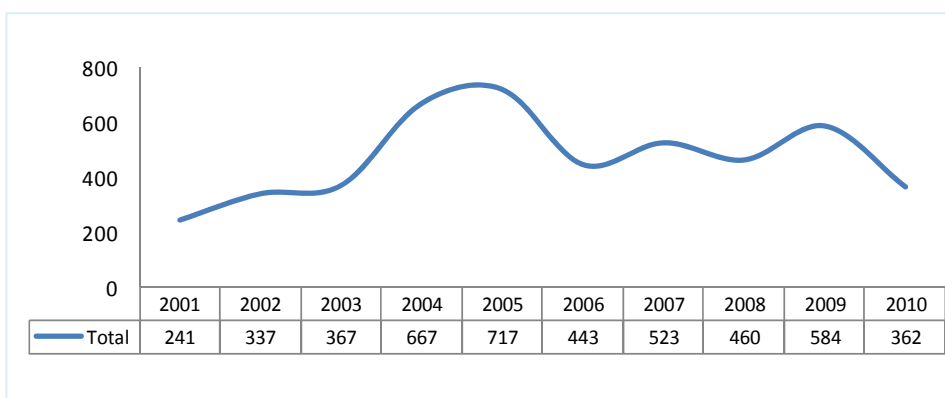


CARIÇOM FRESH PINEAPPLE TRADE PROFILE¹

CARICOM exporters are under utilizing the possibilities for trading fresh pineapple globally (see figure 1). Fresh pineapple exports have not kept pace with exports from the dominant export centres such as mining and energy products. Whereas total regional export sales have grown by 10.7% annually between 2001 and 2010, export sales for CARICOM fresh pineapples have grown by 4.6% over this

CARICOM fresh pineapple exporters did not seek a wide range of international markets, as in 2010, they generated all their international sales from 5 markets, Barbados, Montenegro, Canada, Aruba and Croatia. The top three markets are further explored in section 2.1. This represents no change in the number of export markets serviced (the market spread) as in 2001, CARICOM exporters of fresh pineapples generated their sales from 5 markets, Barbados, Canada, The USA, Hungary and Montserrat, with Barbados being

Figure 1: CARICOM Export Sales of Fresh Pineapple (US\$'000)



Source: International Trade Centre, Trade Map, www.trademap.org [Retrieved February 24, 2012]

period. In 2010, CARICOM exporters of fresh pineapple generated US\$362,000 in sales (see figure 1). This outturn represented a more than 38% decline between 2009 and 2010.

the dominant market. CARICOM based fresh pineapple exporters have focused on a few markets, and have not achieved success in penetrating those markets in that they have not generated significant export sales.

Table 2: CARICOM Export of Fresh Pineapple

Exporters	2010 export sales(US\$'000)	2010 export volume	Export price (US\$/ton)	export sales growth' 06-'10 (%)	export volume growth' 06-'10 (%)	export sales growth' 09-'10 (%)	Share in world exports (%)
World	1,537,388	2,898,175	530	2	1	15	100
CARICOM	362						0
Dominica	208	66	3,152	15	-5	-34	0
Guyana	149	555	268	0	7	33	0
Barbados	3	2	1,500				0
Jamaica	1	1	1,000				0
Trinidad and Tobago	1	1	1,000	-69	-68		0

Source: International Trade Centre, Trade Map, www.trademap.org [Retrieved February 24, 2012]

CARICOM exporters of fresh pineapples generated their sales from 5 markets, Barbados, Canada, the USA, Hungary and Montserrat, with Barbados being the dominant market.

¹ Trade data for CARICOM in 2010 is preliminary, and in some cases mirror statistics have been used.

It is also apparent that pineapple exporters are focusing on intra-CARICOM markets as Barbados was consistently the top import market for this product between 2001 and 2010. However, there have been intermittent exports of fresh pineapples to various extra-regional markets including Germany, The United Kingdom and Norway. From provisional data for 2011, exports to The USA and Canada signaled a shift in focus to extra regional markets.

Dominica was the top CARICOM exporter of fresh pineapple generating 57.4% of export sales in 2010 (see table 2). Guyana was the only other CARICOM Member state with any significant exports of fresh pineapples in 2010. Export sales from Dominica grew by 15% annually between 2006 and 2010,

however there was significant contraction between 2009 and 2010 (see table 2). Dominica's export volume also declined between 2006 and 2010 which could be one factor influencing the relatively expensive export price for the product.

Exporters from Trinidad and Tobago have retreated from exporting fresh pineapple.. However, there have been

some positive observations, with Guyana's export sales growing by 33% between 2009 and 2010 and export volume growing by 7% annually between 2006 and 2010.

Based on export price analysis, in 2010, Guyana was the most competitive exporter of fresh pineapple. Exporters from Guyana were able to sell their fresh pineapples at a price that was less than one tenth of the price at which Dominica exports the commodity. Guyana's

export price was also competitive globally at almost half the global average price at which fresh pineapples was sold on the world market. At the other extreme, fresh pineapple exports from Dominica were the most expensive from CARICOM in 2010. In 2010, the region's fresh pineapple exports were generally more expensive than global export prices, signaling possible diseconomies of scale, and logistics and cost uncompetitiveness factors. Guyana was the only regional exporter with some global price competitiveness and was the only dynamic regional exporter of fresh pineapples.

► EXPORT MARKET ANALYSIS

Table 3: The Barbados Fresh Pineapple Market

Exporters	2010 import spending (US\$'000)	Montenegro's import share (%)	Imported quantity 2010	Unit value (US\$/ton)	Import exp growth '06-'10 (% p.a.)	Import volume growth '06-'10 (% p.a.)	Import exp growth '09-'10 (% p.a.)	World export rank	World export share (%)	Total export sales growth of partner '06-'10 (% p.a.)	Tariffs (%)
World	137	100	179	765	41	31	11		100	2	
Costa Rica	93	67.9	135	689	55	45	-3	1	44.1	8	10
Thailand	13	9.5	5	2,600				24	0.2	-19	10
Panama	12	8.8	13	923		26		9	2.1	-5	10
Dominica	5	3.6	8	625				53	0	15	10
Ghana	4	2.9	6	667	15	8	100	22	0.2	-26	10
Côte d'Ivoire	4	2.9	5	800	-4	-11		12	1.4	-26	10
Arca Nes	2	1.5	3	667							
Chile	1	0.7	1	1,000				104	0	-51	10
Ecuador	1	0.7	2	500	4	14		7	2.7	9	10

Source: International Trade Centre, Trade Map, www.trademap.org [Retrieved February 24, 2012]

Overview of the Barbados fresh pineapple market

In 2010, Barbados was the top import market for CARICOM's fresh pineapple both in terms of import spending, and import volume. Barbados spent US\$324,000 on imported fresh pineapples in 2010. With an annual 4% contraction in import spending on fresh pineapples, Barbados' reported growth in import expenditure of fresh pineapples was below global demand trends. This negative outturn suggests a simultaneous examination of other markets for a more viable export strategy for this product (see table 1).

The market for fresh pineapple in Barbados was dominated by exports from The USA, Guyana, Panama, and Costa Rica which jointly accounted for over 99% of import spending in 2010. South Africa and Trinidad & Tobago were secondary players in Barbados' fresh pineapple market. Trinidad

&Tobago has basically retreated from exporting fresh pineapples to Barbados (see table 3).

Guyana (the 55th ranked exporter of fresh pineapples in 2010) seems to have bright long term prospects in Barbados, as there was significant dynamism in export sales between 2006 and 2010. Indeed, this export growth has accelerated between 2009 and 2010 to over 167%, to almost triple sales in just a year. Panama (the 9th largest exporter in 2010) is also a major competitor as export sales to the world grew by 160% per year between 2009 and 2010. Guyana has not been adequately exploiting its price competitiveness. In 2010, Guyana was capable of selling fresh pineapple at almost 50% the average price that Barbados paid to

import this product, but only accounted for just under 5% of Barbados' import market share. Guyana does not face the

40% Common External Tariff (CET) applied to imports of fresh pineapples from its competitors. Guyana also should be concerned about the presence of the top global exporter of fresh pineapples, Costa Rica, in the Barbadian market (see table 3). In the face of the 40% CET, between 2006 and 2010, Costa Rica has been able to expand the volume of fresh pineapples by 7% annually and exported 8 tons of the commodity in 2010.

Between 2006 and 2010, there was an overall stagnation in Guyana's export sales of fresh pineapple globally. This outturn compares to a 3% expansion in global sales of fresh pineapples in the USA over the 2006 and 2010 period. Costa Rica also expanded global fresh pineapple sales by 8% per annum over this period. Therefore, the fresh pineapple market in Barbados may experience greater competition in the future.

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on all suppliers of fresh pineapple. However, where Montenegro finalizes its accession to the European Union, fresh pineapples could also become duty free to Dominica and other CARIFORUM (i.e.

Overview of Canada's fresh pineapple market

Canada was the 9th largest import market for fresh pineapples in 2010. Canada spent US\$97.4mn on imported fresh pineapples in 2010. This market was not very dynamic with import spending expanding by 1% annually between 2006 and 2010, and import volume actually contracting by 1% annually over this period. Costa Rica was the top exporter of fresh pineapples to Canada in 2010 capturing almost 90% of import spending (see table 4). The USA, Ecuador, Honduras, Mexico, Panama, Guatemala, Thailand and Colombia also figure as major suppliers of fresh pineapple for Canada's import market. Costa Rica was also amongst the dynamic exporters to the Canadian fresh pineapple market. Between 2006 and 2010, Costa Rica's export sales of fresh pineapple to Canada grew by 3% annually. Costa Rica's export to Canada also intensified between 2009 and 2010, expanding by 13% (see table 5).

Table 4: The Montenegro Fresh Pineapple Market

Exporters	2010 import spending (US\$'000)	Montenegro's import share (%)	Imported quantity 2010	Unit value (US\$/ton)	Import exp growth '06-'10 (% p.a.)	Import volume growth '06-'10 (% p.a.)	Import exp growth '09-'10 (% p.a.)	World export rank	World export share (%)	Total export sales growth of partner '06-'10 (% p.a.)	Tariffs (%)
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Thailand	13	9.5	5	2,600				24	0.2	-19	10
Panama	12	8.8	13	923		26		9	2.1	-5	10
Dominica	5	3.6	8	625				53	0	15	10
Ghana	4	2.9	6	667	15	8	100	22	0.2	-26	10
Côte d'Ivoire	4	2.9	5	800	-4	-11		12	1.4	-26	10
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Chile	1	0.7	1	1,000				104	0	-51	10
Ecuador	1	0.7	2	500	4	14		7	2.7	9	10

Source: International Trade Centre, Trade Map, www.trademap.org [Retrieved March 1, 2012]

Overview of Montenegro's fresh pineapple market

Montenegro spent US\$137,000 on imported fresh pineapples in 2010. This market, although small, was a very dynamic one with import spending expanding by 41% annually between 2006 and 2010. Costa Rica was the top exporter of fresh pineapples to Montenegro in 2010 (see table 4). Thailand, Panama, Dominica, Ghana and Côte d'Ivoire also figure as major suppliers of fresh pineapple for Montenegro's import market. Costa Rica was also amongst the most dynamic exporters to the Montenegro fresh pineapple market. Between 2006 and 2010, Costa Rica's export sales of fresh pineapple to Montenegro grew by 55% annually (see table 4).

Ghana and Ecuador were the other dynamic exporters between 2006 and 2010. Dominica was the only regional exporter to Montenegro with shipments totalling US\$5,000 in 2010 (see table 4). Dominica possesses a price competitive advantage in Montenegro's small market with an export price almost 20% cheaper than the price that the Montenegro market was willing to pay for the commodity in 2010. Dominica appeared to be the cheapest exporter of fresh pineapples to Montenegro in 2010. Dominica has also been "bullish" on exporting fresh pineapples growing export sales globally by 15% annually between 2006 and 2010. Montenegro charges a 10% duty

CARICOM and The Dominican Republic) countries. Based on the foregoing analysis, it appears that Montenegro is a promising market for Dominica.

Table 5: The Canadian Fresh Pineapple Market

Exporters	2010 import spending (US\$'000)	Canada's import share (%)	Imported quantity 2010	Unit value (US\$/ton)	Import exp growth '06-'10 (% p.a.)	Import volume growth '06-'10 (% p.a.)	Import exp growth '09-'10 (% p.a.)	World export rank	World export share (%)	Total export sales growth of partner '06-'10 (% p.a.)	Tariffs (%)
World	97,402	100	103,251	943	1	-1	10		100	2	
Costa Rica	85,896	88.2	92,574	928	3	1	13	1	44.1	8	0
United States of America	5,186	5.3	4,339	1,195	-16	-19	-22	4	6.7	3	0
Ecuador	2,413	2.5	2,126	1,135	-6	-12	23	7	2.7	9	0
Honduras	1,269	1.3	1,588	799	28	27	23	8	2.1	-6	0
Mexico	672	0.7	837	803	47	63	-22	11	1.7	24	0
Panama	589	0.6	659	894	29	16	85	9	2.1	-5	0
Guatemala	538	0.6	685	785	-24	-22	80	19	0.4	-7	0
Thailand	485	0.5	197	2,462	-8	-16	-1	24	0.2	-19	0
Colombia	101	0.1	100	1,010	-9	-11	80	42	0	1	0
Chile	59	0.1	52	1,135	29	20	44	104	0	-51	0
Philippines	47	0	8	5,875	25	-4	-61	5	2.8	-6	0
South Africa	33	0	23	1,435	45	68	-25	20	0.2	-2	0
China	30	0	8	3,750	28	2	900	33	0.1	-1	0
Chinese Taipei	25	0	17	1,471		43	-32	31	0.1	39	0
Peru	17	0	11	1,545	49	31	-37	62	0	66	0
Argentina	11	0	9	1,222							0
Sri Lanka	7	0	1	7,000			75	32	0.1	-10	0
Viet Nam	5	0	1	5,000	24			85	0	-57	0
New Zealand	3	0	4	750				64	0	73	0
Uganda	3	0	0					51	0	35	0
Brazil	2	0	3	667			-94	36	0.1	-36	0
Belize	2	0	3	667							0
Canada	2	0	2	1,000				58	0	56	
Italy	2	0	2	1,000				13	1.2	-3	0
Guyana	1	0	0					55	0	0	0
Hong Kong, China	1	0	1	1,000				34	0.1	106	0
Jamaica	1	0	0					106	0		0
Switzerland	1	0	2	500				52	0	-3	0

Source: International Trade Centre, Trade Map, www.trademap.org [Retrieved March 1, 2012]

Honduras, Mexico and Panama were the other dynamic exporters between 2006 and 2010. Belize, Guyana and Jamaica were the only regional exporters to Canada in 2010 (see table 5). Belize possesses a price competitive advantage in Canada's considerable market with an export price more than 30% cheaper than the price that the Canadian market was willing to pay for the commodity in 2010. Belize appeared to be amongst the cheapest exporters of fresh pineapples to Canada in 2010. Canada doesn't charge duties on fresh pineapples to any major exporters into its market (see table 5). Therefore, Belize, Guyana and Jamaica will face an uphill struggle making inroads in Canada's market against the Latin American competition.

► EXPORT MARKET ANALYSIS

Trade in fresh pineapples is a relatively smaller international business opportunity. CARICOM-based firms have not made much progress in penetrating the global market. With the exception of Canada, CARICOM firms have not focused on any of the top import markets for fresh pineapples. There are possibilities however to earn greater economic rent from the effective management of based on brands peculiar to the region such as the Antigua black pineapple. Between 2001 and 2010, there were no observed exports of fresh pineapples from Antigua & Barbuda.

CARICOM fresh pineapple exporters should consider market diversification. Between 2006 and 2010, fresh pineapple importers in Israel grew import spending by 138% per annum, which was 46 times the global fresh pineapple import growth rate of 3%. Israel represents a dynamic market which could be a target for further market development by CARICOM exporters of this product. Other dynamic import markets included Haiti (134% growth per year); China (54%); Turkey (42%); Morocco (41%); Lebanon (34%); Saudi Arabia (25%); Russian Federation (22%); and Argentina (16%).

A number of markets paid premium prices for fresh pineapple, and it is suggested that CARICOM exporters investigate those premium priced markets to assess possibilities for market development. In 2010, the premium import price markets included Armenia; Israel; Austria; Switzerland; Denmark; Lithuania; Estonia and Lebanon. Fresh pineapple exporters should assess the role of trade negotiations in their market development initiatives.

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Produced by the OTN Information Unit, 2012

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