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Top Ten U.S. Fresh Vegetable Exports to Canada

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Approved By:
Robin Tilsworth
Prepared By:
Mihai Lupescu

Report Highlights:
After a decline during the 2009 recession year, U.S. fresh vegetable exports to Canada picked up again in 2010 reaching a record high level. At $1.36 billion they represented a 4 percent increase over the previous year. Looking at a longer time frame, the United States has continuously increased its sales of fresh vegetables to Canada. Exports have gone up by 29 percent during the period 2005 to 2010, from $1.06 billion to $1.36 billion. Factors behind such increase in exports include sustained consumption of fresh vegetables, a strong Canadian dollar and higher prices. Among the top ten exported vegetables were lettuce, cauliflower & broccoli, onions, carrots and tomatoes. While trade expanded for most vegetables, U.S. exporters lost significant market share in tomatoes and peppers, mainly to competitors from Mexico. Trade data for the first three months of 2011 confirms an ongoing upward trend in U.S. vegetable exports to Canada with this category up a solid 18 percent in value compared to the similar period in 2010.

After the 2009 recession year, U.S. exports of fresh vegetables to Canada have picked up again. At over $1.36 billion in 2010, the value of fresh vegetable exports was up 4 percent compared to the previous year, reaching a new record level. The table at the end of this report includes recent statistics covering general agriculture trade data, as well as detailed fresh vegetable data, listing the top ten entries for 2010.

Leading the fresh vegetable group was lettuce with $366 million in exports, followed by cauliflower & broccoli ($138 million), onions & shallots ($109 million), carrots & turnips ($104 million) and tomatoes ($102 million). Also in top ten were potatoes, peppers, spinach, celery and cabbage.

In terms of highest percentage increases in value of exports, the top five spots were taken by onions & shallots, with a 56 percent increase in value of exports from 2009 to 2010, followed by spinach (16 percent increase), cauliflower & broccoli (8 percent increase), cabbage (6 percent increase) and potatoes (3 percent increase). However, among the top ten most exported vegetables there were some that actually saw a decline in value from 2009 to 2010: tomatoes, with a 17 percent drop in exports, peppers, with a 15 percent drop, carrots & turnips with a 2 percent decline and celery with 1 percent decline.

Looking at a longer time frame, the United States has constantly increased its sales of fresh vegetables to Canada. Imports of fresh vegetables from United States have increased by 29 percent during the period 2005 to 2010, from $1 billion to almost $1.4 billion. With a steady per capita consumption of fresh vegetables and a growing population, overall consumption continuously increased over the past five years, explaining in part the upward trend in imports. The economic boom in the mid-2000s, coupled with a milder recession and quicker recovery gave Canadians the financial means to maintain purchases of fresh vegetables. The increase in American exports is also explained by an ever stronger Canadian dollar, that on average appreciated by almost 20 percent during that period of time.

Trends in fresh vegetable consumption among Canadians varied over the past five years from product to product. Statistics Canada reports that per capita consumption of cauliflower increased by 24 percent between 2005 and 2010, of spinach increased by 18 percent, of cabbage by 10 percent and of carrots by 5 percent. However, during the same period, per capita consumption of onions & shallots declined by 4 percent, of celery declined by 5 percent, and carrots by 6 percent. Some vegetables saw an even more significant drop over the past five years: per capita consumption of fresh tomatoes decreased by 10 percent between 2005 and 2010, lettuce by 11 percent; consumption of broccoli dropped by 14 percent and of fresh potatoes by 18 percent.

Despite this mixed picture in consumption trends on a per capita basis overall consumption has gone up and, coupled with higher prices, has translated into quite significant percentage increases in the value of imports of fresh vegetables from United States to Canada. Thus, from 2005 to 2010 the import value of onions and shallots jumped by 100 percent, spinach by 59 percent, potatoes by 46 percent, cabbage by 45 percent and cauliflower & broccoli by 39 percent. Of the vegetables represented in the top ten, only peppers and tomatoes saw a decline in the value of exports over the last five years, by 18 and 25 percent, respectively, primarily due to increased competition from Mexico, as explained below.

From a volume perspective, the United States succeeded in maintaining its share of Canadian imports, or saw only small declines, over the 2005 to 2010 period, for most vegetables in the top ten. Thus, the United States has basically remained the only supplier of lettuce and potatoes to Canada, and has maintained a high share of the import market for spinach (95 percent) and celery (about 97-98 percent). Small declines in market share occurred for cauliflower & broccoli (from 97 percent in 2005 to 95 percent in 2010), onions & shallots (from 83 to 81 percent), cabbage (from 79 to 77 percent) and carrots & turnips (from 97 to 92 percent). In most instances the market share was lost to increased competition from Mexico, but occasionally from Peru or China as well.

The most dramatic market share losses for United States were in the tomato and pepper markets. Canada increased its imports of tomatoes by 13 percent, from 171,600 metric tons (MT) in 2005 to 193,500 MT in 2010. However, the volume of American exports declined by 35 percent over the same period of time. With 126,600 MT in exports in 2005, the United States held a 74 percent share of the Canadian import market. Over the five years that amount dropped to 82,700 MT, and in 2010 U.S. tomatoes accounted for only 43 percent of the import market.

A similar situation took place in the pepper market. While Canadian imports of fresh peppers increased by 9 percent, from 102,600 MT in 2005 to 111,500 MT in 2010, the U.S. exports dropped by 24 percent, from 61,200 MT to 46,500 MT. In terms of market share, American peppers declined from 60 percent to 42 percent. In both instances (tomatoes and peppers), the increased competition came from Mexico, which saw its tomato exports grow by 153 percent and pepper exports grow by 105 percent over the 2005 to 2010 period.

Looking ahead, fresh vegetables will continue to be on the list of top exports from Unites States to Canada in 2011 as well. Trade data for the first three months confirms that this category is already up a solid 18 percent in value compared to the similar period in 2010. However, increasing competition points strongly to the importance of increasing marketing efforts in this important market, with focus on tomatoes and peppers.

Canadian Imports of Fresh Vegetables from United States					
Million U.S. Dollars	**2005**	**2009**	**2010**	*% Change 2010/2009*	*% Change 2010/2005*
Total Agriculture Imports from United States	**10,267**	**15,118**	**16,145**	***7%***	***57%***
Total Agriculture Exports to United States	12,847	15,300	16,971	*11%*	*32%*
Exchange Rate (USD per 1 CAD)	0.83	0.88	0.97	*11%*	*18%*
Imports of Fruits and Vegetables (fresh, processed & juice)	**2,913**	**3,862**	**4,099**	***6%***	***41%***
Share in Total Agriculture Imports from U.S.	28%	26%	25%		
Exports of Fruits and Vegetables (fresh, processed & juice)	1,895	2,353	2,528	*7%*	*33%*
Total Trade in Fruits and Vegetables	*4,807*	*6,215*	*6,628*		
Imports of Fresh Fruits and Vegetables, of which:	**1,982**	**2,586**	**2,753**	***6%***	***39%***
Imports of Fresh Vegetables, of which:	**1,062**	**1,309**	**1,366**	***4%***	***29%***
Lettuce	**269**	**366**	**366**	***0%***	***36%***
- volume-based market share:	*100%*	*99%*	*99%*		
Cauliflower & Broccoli	**99**	**128**	**138**	***8%***	***39%***
- volume-based market share:	*97%*	*95%*	*95%*		
Onions & Shallots	**54**	**70**	**109**	***56%***	***100%***
- volume-based market share:	*83%*	*84%*	*81%*		
Carrots & Turnips	**86**	**106**	**104**	***-2%***	***20%***
- volume-based market share:	*97%*	*92%*	*92%*		
Tomatoes	**135**	**123**	**102**	***-17%***	***-25%***
- volume-based market share:	*74%*	*53%*	*43%*		
Potatoes (non-seed)	**59**	**83**	**86**	***3%***	***46%***
- volume-based market share:	*100%*	*100%*	*100%*		
Peppers (bell, chili, etc)	**73**	**71**	**60**	***-15%***	***-18%***
- volume-based market share:	*60%*	*52%*	*42%*		
Spinach	**38**	**52**	**60**	***16%***	***59%***
- volume-based market share:	*95%*	*96%*	*95%*		
Celery	**39**	**53**	**52**	***-1%***	***33%***
- volume-based market share:	*98%*	*98%*	*97%*		
Cabbage	**23**	**31**	**33**	***6%***	***45%***
- volume-based market share:	*79%*	*77%*	*77%*		

Source: Global Trade Atlas