

Asparagus Production and Trade in Selected Countries

A combined record output of fresh asparagus in 5 selected countries in 1998 is forecast at 343,500 tons, up about 1 percent from the previous year. Peru, the world's largest producer, accounted for 42 percent of the total, followed by Spain and the United States. During the same period, asparagus exports from the selected countries are forecast at 162,500 tons. This record export volume represents about a 1 percent increase over the previous years level. Peru, the world's top exporter of fresh asparagus, is expected to once again dominate exports, with shipments forecast at 93,000 tons, down 4 percent from 1997. The United States continues to be Peru's best customer for fresh green asparagus. In 1997, U.S. exports of fresh asparagus valued at \$51 million, declined about 1 percent from the previous year, due mostly to reduced sales to Japan and Switzerland. During the first 6 months of 1998, U.S. sales of fresh asparagus, valued at \$41 million, are below the previous years level by about 5 percent. Smaller exports to Japan accounted for most of this reduction.

Summary

Fresh asparagus production in 1998 in 5 selected countries is estimated at a record 343,500 metric tons, up 1 percent from 1997. Peru, the world's largest producer, accounted for the bulk of the selected countries' output. Because of missing supply and distribution data for Greece, table 2 nor selected countries production estimates include Greece's fresh asparagus production and distribution input. See text for details.

United States

The United States is the world's third largest producer, after Peru and Spain, of fresh asparagus. Production forecast for 1998 is not available. In 1997, U.S. production of fresh asparagus is estimated at 54,477 tons, up 8 percent from the previous year. During the same period, U.S. production of processed asparagus, canned and frozen, is estimated at 35,307 tons, down 11 percent from 1996. Lower production in Michigan and Washington state were the major reason for the decline. In 1997, production of fresh and processed asparagus provided \$134 million and \$48 million in cash receipts to U.S. farmers, up 30 percent and down 9 percent, respectively, from 1996.

The major U.S. fresh asparagus producing states are California, Michigan, and Washington. Other states producing smaller amounts of asparagus for processing include New Jersey, Illinois, Maryland, Indiana, Oregon, and Minnesota.

California accounts for about 75 percent of the U.S. fresh market production is grown mainly in California's northern Stockton Delta region, the Salinas Valley, the San Joaquin Valley and the Imperial Valley. In Washington state most of the asparagus is grown in the Columbia Basin, and the Yakima and Walla Walla Valleys. In Michigan the majority of the asparagus is grown in Oceana County.

In 1997, exports of fresh asparagus from the United States totaled 15,263 tons valued at \$51 million, up 6 percent in volume and down about 1 percent in value from the previous year. Increased shipments mainly to Canada and Japan, the U.S. top two markets, accounted for most of the gain in exports in 1997. Shipments to Switzerland and the United Kingdom, the other key U.S. markets, declined 28 and 46 percent, respectively, due mainly to the strong U.S. dollar and ample supplies from European producers. In spite of a reduction in total U.S. exports to Switzerland in 1997, the U.S. increased its market share for asparagus in Switzerland from January to April 1996 from 41 to 48 percent for the same period in 1997.

Peru

Asparagus production in Peru in 1998 is estimated at 145,000 tons, up 2 percent from the revised level in 1997. Peru produces asparagus for two different markets: green asparagus for the United States, and white asparagus for the European market. Green asparagus, accounting for about 35 percent of total production, is packed fresh in 5 kilogram boxes and exported to the U.S., while white asparagus is processed in cans and/or jars and exported to Europe.

In Peru, the average yields are around 6 tons per hectare, but can reach as high as 18 tons per hectare among some of the more efficient producers.

The recent reduction in import tariffs on some agricultural inputs, and new phytosanitary regulations on seed imports, should provide a small boost to the asparagus sector. Producers complain that the GOP has not done enough to repair and expand irrigation systems, expedite land reform, and reduce industrial taxes which could further lower their costs of production.

In 1998, exports of processed asparagus are forecast at 74,000 tons, up 6 percent from the previous year. Peru's most important processed asparagus customers are Spain, Netherlands, France, Germany and Denmark. During the same period, exports of fresh asparagus are forecast at 19,000 tons, up 7 percent from 1997. The United States is the main market for Peru's fresh asparagus.

The GOP does not have an official policy to encourage asparagus production. Most of the GOP's effort is on the marketing side through PROMPEX (the export promotion committee). This organization is fairly new and has been very active and successful in promoting agricultural exports.

Spain

Production of asparagus in Spain in 1998 is forecast at 69,000 tons, down 9 percent from 1997. This reduction was due to lower area planted, excessive rain and cold weather for days that destroyed about 40 percent of the green asparagus in one of the main growing areas. In Spain, about 80 percent of the area planted to asparagus is under irrigation. In 1997, the area planted to asparagus totaled 20,000 hectares, down 5 percent from the previous year.

The asparagus harvesting period in Spain begins in mid-January for extra-early varieties in Andalucia, and ends in August in the northern producing region. Premium prices are paid to growers for extra-early asparagus in January when green asparagus begins to be marketed.

Spanish consumption of asparagus increased dramatically during the last decade, but has stabilized during the last few years. In 1997, consumption of fresh asparagus is estimated at nearly 50,000 tons, down 4 percent from 1996. Declining demand for canned asparagus has been offset somewhat by an

increase in consumption of both fresh and frozen asparagus. Consumption of processed asparagus in 1997 is estimated at 23,659 tons.

Spanish imports of asparagus take place mainly during the off-season months between October and January. In 1997, Spain imported almost 3,000 tons of fresh asparagus, compared to about 2,000 tons in 1996. The major suppliers of fresh asparagus to Spain are Greece, Morocco and Peru. Imports from the U.S. during the same period were zero. Reportedly, South American suppliers shipped fresh asparagus to Spain in 1997 by air.

In 1997, Spanish exports of fresh asparagus totaled 25,860 tons of which 6,000 tons were green and purple-green varieties, compared to 18,189 tons exported in 1996. The European Union (EU) countries are the primary market for fresh exports. Most of Spain's asparagus exports consists of white asparagus used for salads and are sold primarily to EU countries. Spain is making an effort to introduce the green-purple asparagus variety for use in domestic cooking.

On the policy side, after years of complaints asparagus growers received permission from the EU authorities to create new specific size regulations on canned asparagus imports. Prices paid for third country canned asparagus are generally well below prices paid for Spanish asparagus. Growers have received \$565 per hectare (about 500 ecus per hectare) and only up to 9,000 hectares in the entire EU.

Mexico

Production of fresh asparagus in Mexico in 1998 is estimated at 34,000 tons, up 13 percent from 1997, because of higher yields and new areas coming into production. Asparagus production in Mexico is slated mostly for the export market.

Over 95 percent of Mexico's asparagus is produced in Sonora, Baja California and Guanajuato, with the rest of the production coming from the states of Nuevo Leon, Coahuila and Baja California Sur. Mexico produces two asparagus crops. The major crop is harvested in Baja California and Sonora from late December through early April. A second, but smaller crop is harvested from late June through September in the Bajio region (Guanajuato State). All area devoted to asparagus production in Mexico is under irrigation.

The average farmgate price received for asparagus from the Bajio region in August 1997, averaged about US\$1.80 per kilogram, down 28 percent from 1996, while farmgate price in Baja California in January 1998 averaged about US\$2.10 per kilogram, unchanged from the previous year.

In 1998, fresh asparagus consumption is forecast at 8,065 tons, unchanged from the revised level in the previous year.

There is currently no market promotion efforts being made in Mexico for either domestic or imported asparagus. Some growers say they interested in exploring the possibility of doing market promotions in Mexico.

Mexican exports of asparagus in 1998 are forecast at 26,000 tons, up 18 percent from 1997, mainly due to stronger international demand. The United States is Mexico's largest export market for asparagus.

Mexico's exports of fresh asparagus to the United States peak from the last week of December to the end of January, when U.S. supplies are low. Prices are traditionally higher during this period. Mexico's exports to the U.S. continue until March when production begins in the Stockton/Delta region of

California. Mexico also exports fresh asparagus to the U.S. during the summer months, from the last week of June to the end of September.

In Mexico, asparagus imports are subject to a 10 percent duty, except when from the United States where a separate NAFTA tariff schedule applies.

Under NAFTA, Mexico matched the U.S. seasonal tariff lines and phase-out schedule, but will use a 10-year transition period instead of the 15-year period adopted by the United States. The tariff classification numbers are HS 0709.20.10 and 0709.20.90. Mexico's current asparagus tariff schedule for imported asparagus from the United States is as follows: January 1 to 31, duty is 5 percent and February 1 to June 30, the duty is 5 percent. From July 1 to December 31, duty is free.

Switzerland

The production of Swiss green asparagus in 1998 is estimated at 145 tons, up 2 percent from 1997. Swiss asparagus production accounts for about 2 percent of domestic consumption annually. About 70 tons of the local production is marketed directly from the farm to restaurants and private consumers, while the balance is sold through retail channels. Approximately 20 tons of white asparagus is produced domestically and is marketed directly to restaurants in the production area.

Switzerland continues to be a good market for U.S. fresh asparagus because of the Swiss preference for larger-stalked asparagus. The Swiss are willing to pay a premium price for this product which U.S. exporters have found almost impossible to sell in most other markets.

U.S. exports of fresh green asparagus continue to enjoy strong demand in Switzerland, but face stronger competition from other EU producers and a tariff-rate quota system.

With the implementation of Switzerland's Uruguay Round commitments on July 1, 1995, the "three-phase" system was eliminated and replaced by a tariff-rate quota system. Under the new system, imports from May 1-June 15 are subject to a maximum duty of SF 864 per 100 kilograms (to be reduced to SF 734 per 100 kilogram by the year 2000). A certain quantity is approved for import at a lower duty (7 SF per 100 kilograms which goes to zero by the year 2000).

The Swiss government sets allowable quantities of imports at the in-quota rate during May 1 to June 15 of each year based on input from an advisory committee. The committee includes representatives of producer, consumer, and importer groups. The Swiss agreed following bilateral negotiations to set weekly minimum allowable import quantities well in advance. This improves transparency in the market and provides U.S. exporters with more certainty of specific import opportunities during the period of restriction.

Currently, the quantity of imports allowed at the lower duty for May 1 to June 15 period is set on a weekly basis. The quota is divided among traditional importers on the basis of historical share. In 1998, Switzerland established the following minimum quantities for weekly imports (in case of shortage on the local market, additional quotas are granted (amounts shown in parenthesis) on relatively short notice): May 1-4, unlimited; May 5-11, 50 (230) tons; May 12-18, 30 (110) tons; May 19-25, 20 (120) tons; May 26-June 1, 10 (160) tons; May 2-8, 20 (unlimited) tons; and June 9-15, 40 (unlimited) tons.

Greece

Asparagus production in Greece in 1998 is estimated at 30,000 tons, up 15 percent from 1997. Domestic production is comprised of both white and violet asparagus types and is harvested from early-February to mid-May. Production takes place mainly in the central and west Macedonia region. Some farmers in the Etoloacarnania (western Greece) region have begun to replace non-marketable tobacco varieties with asparagus.

The average yields of asparagus produced in Greece range between 3,600 to 3,700 kilograms per hectare. In 1998, farmers received approximately US\$2.12 to US\$2.18 per kilogram for white and violet type asparagus, while the best prices paid for green asparagus ranged from US \$2.44 to \$2.60 per kilogram. Farm prices received for organically produced green asparagus during the same period ranged from US\$2.60 and above per kilogram.

Domestic consumption of asparagus in Greece is placed at about 1,100 tons per year.

Greece produces an asparagus product that tastes different from their European competitors, and its early harvest allows them to take advantage of market niches and higher prices, especially in Germany. Greece exports about 25,000 tons of asparagus to Germany each year with small quantities going to France, Holland and Spain (the primary competitors). Spain buys second quality product mostly for canning.

Export prices of asparagus in 1998 fluctuated between \$4.38-\$5.47 (c&f Munich) in early season and between \$3.37-\$3.93 in late season.

Germany

Germany is a major producer and consumer of asparagus. In 1998, German production of asparagus, mostly white, is estimated at 40,000 tons, down slightly from 1997, due to cool and unfavorable weather conditions.

In 1997, domestic production of asparagus accounted for 49 percent of total consumption (81,000 tons), making German an attractive import market for fresh asparagus. Traditionally, Greece, Spain and Holland have accounted for the bulk of Germany's asparagus imports.

In 1997, Greece accounted for 47 percent of all German imports, followed by Spain with 24 percent, Holland with 15 percent and France with 6 percent. During this same period, the United States supplied Germany with only 309 tons valued at US\$700,000, down 23 percent in volume and 49 percent in value, due to a strong U.S. dollar. Germany exports small quantities of asparagus, mainly to Austria and the Netherlands.

United Kingdom

Production of asparagus in the United Kingdom (U.K.) remains small, but continues to grow. In 1998, production is forecast at 1,654 tons, up 7 percent from the revised volume in 1997. The increase in the U.K.'s output is due largely to an increase in planted area to over 800 hectares. Planting of asparagus crowns takes place in February, and harvesting begins in mid-April and runs through the end of June. The primary growing areas are Scotland, Norfolk, Suffolk, Cambridgeshire, Cornwall and Kent. Green asparagus accounts for the bulk of production in the United Kingdom.

In 1998, per capita consumption of asparagus in the U.K. remained at about 0.38 kilograms, up from 0.14 kilograms in 1992.

The U.K.'s imports of green asparagus in 1998 are forecast at 3,900 tons, up 25 percent from the revised level in 1997. Spain, accounting for 37 percent of total imports, is the U.K.'s the largest supplier of asparagus, followed by Peru with 19 percent, the United States with 13 percent and France with 10 percent. Imports from the United States (500 tons) are up 29 percent from 1997. Other important, but smaller suppliers included Chile, Ecuador, Mexico, Thailand and South Africa. In 1997, large retail outlets accounted for 90 percent of total sales of domestically produced asparagus. Increasing demand for convenience foods in the U.K. has resulted in a move away from traditional bundles of non-trimmed asparagus spears to pre-packed trimmed spears.

All product marketed in the U.K. is subject to compliance with European Union quality standards, pesticide and plant health legislation. Imports from the United States are subject to the full duty rate of 13.1 percent, down from 16 percent, under tariff code 0709200000. Once the Uruguay Round agreement has been fully implemented, the duty rate will be reduced to 10.2 percent.

For further information on production and trade, contact Emanuel McNeil at 202-720-2083.

Table 1--United States Asparagus Production and Area

| Year | Area 1/ Planted Harvested | | Fresh | Production 2/ Canning Freezing | | Total |
|------|-----------------------------------|--------|--------|--|--------|---------|
| | -----Hectares----- | | | -----Metric tons----- | | |
| 1992 | 35,780 | 34,850 | 62,415 | 35,081 | 9,117 | 106,613 |
| 1993 | 34,463 | 32,841 | 56,790 | 32,115 | 11,013 | 99,918 |
| 1994 | 33,424 | 31,060 | 59,466 | 37,324 | 11,508 | 108,298 |
| 1995 | 31,056 | 29,276 | 49,895 | 41,391 | 9,513 | 100,799 |
| 1996 | 30,822 | 29,769 | 50,530 | 31,779 | 7,938 | 90,247 |
| 1997 | 31,420 | 29,761 | 54,477 | 25,773 | 9,535 | 89,785 |

1/ Hectares (1 hectare = 2.471 acres). 2/ Metric tons (1 metric ton = 2,204.622 pounds)
Source: National Agricultural Statistical Service

Table 2-- Fresh Asparagus Production, Supply, and Distribution in Selected Countries

| Country/ Year | Production | Imports | Total Supply/ Distribution | Exports | Domestic Consump. |
|---------------------|------------|---------|-------------------------------|---------|----------------------|
| ----Metric tons---- | | | | | |
| Germany | | | | | |
| 1996 | 36,711 | 44,700 | 81,411 | 500 | 80,911 |
| 1997 | 40,301 | 41,000 | 81,301 | 500 | 80,801 |
| 1998 Est. | 40,500 | 40,000 | 80,500 | 500 | 80,000 |
| Peru | | | | | |
| 1996 | 127,600 | 0 | 127,600 | 84,700 | 42,900 |
| 1997 | 140,000 | 0 | 140,000 | 97,000 | 43,000 |
| 1998 Est. | 145,000 | 0 | 145,000 | 93,000 | 52,000 |
| Mexico | | | | | |
| 1996 | 28,210 | 42 | 28,252 | 19,500 | 8,752 |
| 1997 | 30,000 | 63 | 30,063 | 22,000 | 8,063 |
| 1998 Est. | 34,000 | 65 | 34,065 | 26,000 | 8,065 |
| Spain | | | | | |
| 1996 | 78,100 | 1,936 | 80,036 | 18,189 | 61,847 |
| 1997 | 75,800 | 2,880 | 78,680 | 25,860 | 52,820 |
| 1998 Est. | 69,000 | 3,000 | 72,000 | 26,000 | 46,000 |
| United States | | | | | |
| 1996 | 50,530 | 34,534 | 85,064 | 14,377 | 70,687 |
| 1997 | 54,477 | 40,208 | 94,685 | 16,000 | 78,685 |
| 1998 Est. | 55,000 | 42,000 | 97,000 | 17,000 | 80,000 |
| Total | | | | | |
| 1996 | 321,151 | 81,212 | 402,363 | 137,266 | 265,097 |
| 1997 | 340,578 | 84,151 | 424,729 | 161,360 | 263,369 |
| 1998 Est. | 343,500 | 85,065 | 428,565 | 162,500 | 266,065 |

Source: U.S. Agricultural Attache Reports and NASS/USDA. Note: Estimated 1998 U.S. production. Official NASS estimates for 1998 production will not be available until January 1999.

Table 3--United States Exports of Fresh and Chilled Asparagus 1/

| Destinations | 1994 | 1995 | 1996 | 1997 | 1997 Jan-June | 1998 Jan-June |
|-----------------------|--------|--------|--------|--------|------------------|------------------|
| -----Metric tons----- | | | | | | |
| Japan | 10,269 | 10,280 | 6,260 | 6,478 | 5,676 | 4,994 |
| Canada | 7,272 | 5,630 | 4,666 | 6,329 | 5,415 | 5,568 |
| Switzerland | 2,369 | 1,075 | 1,988 | 1,423 | 1,421 | 2,549 |
| Germany | 844 | 433 | 402 | 309 | 306 | 177 |
| United King. | 632 | 539 | 632 | 341 | 236 | 349 |
| Others | 372 | 330 | 429 | 383 | 316 | 468 |
| Total | 22,018 | 18,470 | 14,377 | 15,263 | 13,370 | 14,105 |

Source: U.S. Department of Commerce, Bureau of the Census.

1/ Calendar years, 1993-1997.

Table 4--United States Imports of Fresh and Chilled Asparagus 1/

| Origins | 1995 | | 1996 | | 1997 | |
|-------------|--------|---------|--------|---------|--------|---------|
| | (MT) | (\$000) | (MT) | (\$000) | (MT) | (\$000) |
| Mexico | 21,753 | 37,102 | 18,441 | 33,710 | 21,166 | 39,149 |
| Colombia | 858 | 2,034 | 1,234 | 2,989 | 1,940 | 4,628 |
| Guatemala | 615 | 506 | 546 | 459 | 475 | 427 |
| Ecuador | 244 | 376 | 242 | 373 | 256 | 328 |
| Peru | 9,465 | 16,774 | 10,543 | 18,654 | 12,707 | 22,610 |
| Chile | 2,362 | 2,280 | 2,655 | 2,346 | 2,817 | 2,746 |
| Argentina | 463 | 454 | 752 | 839 | 761 | 960 |
| New Zealand | 5 | 10 | 49 | 105 | 69 | 122 |
| Others | 126 | 308 | 72 | 216 | 17 | 38 |
| Total | 35,891 | 59,844 | 34,534 | 59,691 | 40,208 | 71,008 |

Source: U.S. Department of Commerce, Bureau of the Census.

1/ Calendar years, 1993-1997.