Processed Sweet Corn Situation in Selected Countries

U.S. sweet corn production for processing in calendar year (CY) 1999 is estimated at 2.88 million metric tons, down 1 percent from 1998, due mainly to a 4 percent decline in contracted acreage and low wholesale prices. U.S. canned sweet corn (CSC) exports during the first 9 months of 1999 totaled 128,725 tons, down 1 percent from the same period the previous year. Despite economic woes in Asia, the top U.S. market, U.S. CSC exports to key Asian markets nearly rebounded to the previous year's level, reaching 78,425 tons. U.S. CSC exports for CY 1999 are forecast at 175,000 tons, down 7 percent from 1998.

United States

Production of sweet corn for processing in the United States in calendar year 1999 is estimated at 2.88 million metric tons, down 1 percent from 1998, due mainly to a 4 percent decline in contracted acreage and low wholesale prices. U.S. production of canned sweet corn (CSC) in 1999 is estimated at 1.51 million tons (613,000, net weight), unchanged from 1998. Production of sweet corn for freezing in 1999 is estimated at 1.44 million tons (389,190, net weight), down 6 percent from 1998. Production in Washington state, which accounts for a fourth of the sweet corn crop, was estimated to have increased about 1 percent despite a cool season. In Minnesota, which also accounts for about a fourth of the U.S. sweet corn crop, production was estimated down 11 percent due to heat and excessive moisture. Unfavorable weather in Wisconsin, Indiana and New York also lowered output for the U.S. 1999 crop.

Despite continuing economic woes in Asia, U.S. CSC exports during the first 9 months of 1999 to Asian countries, mainly Japan, Taiwan, Korea, Philippines and Singapore, accounted for the bulk (61 percent) of total CSC sales. During this period, U.S. CSC exports to these markets rebounded to total 78,425 tons, less than 1 percent below 1998, but still 23 percent below 1997. Stronger U.S. exports of CSC to Hong Kong, Korea, Singapore, the Netherlands and Norway were the primary reason for the gain, while exports to other key markets for this period did not do as well. U.S. exports of CSC for calendar year 1999 are forecast at 175,000 tons, down 7 percent from 1998 and 10 percent below the 1997 record year. CSC continues to account for the bulk of U.S. processed sweet corn exports.

Thailand

Production of CSC in Thailand in 1999 is forecast at 35,000 tons, up 25 percent from the previous year. This increase in output is attributed mainly to a significant rise in planted area and excellent weather during the peak growing season. Also, lucrative prices for fresh sweet corn in MY 1998/99, and the emergence of several new CSC processors persuaded some farmers to switch a portion of their farm land from other competing crops (mostly vegetables) to sweet corn production in 1999. Generally, about half of Thailand's fresh corn production is delivered to sweet corn canners, with the balance being used for fresh and frozen consumption.

Thailand's exports of CSC in calendar year 1999 and 2000 are forecast to grow about 15 to 20 percent, due mainly to Thailand's competitiveness in world markets and improved quality. In 1998, Thai CSC exports totaled 22,000 tons, up 21 percent above the previous year. Shipments to Hong Kong, Germany, South Korea, and Japan accounted for 78 percent of total exports. Thai packers report that the average f.o.b. prices for CSC dropped from US$ 7.00 to 7.25 per case (24/12 ounce cans) in 1998 to US$ 6.30 to 6.50 per case in 1999. Thai CSC packers are concerned that fierce competition among themselves may generate problems of price cutting and lower CSC quality in the future.

Production of canned baby corn in Thailand in MY 1999 and 2000 is forecast at 72,000 tons and 74,000 tons, respectively. Because Thais prefer consumption of fresh baby corn to canned baby corn, approximately 99.5 percent of all production of canned baby corn is exported. In MY 1998, Thailand's canned baby corn exports totaled 68,534 tons, down slightly from the year earlier because of reduced sales to Sweden, Germany and South Korea. Traditionally, the United States takes the bulk of Thailand's canned baby corn exports, followed by the Netherlands, Germany, Japan, Canada, Hong Kong and the United Kingdom. Thailand is presently the world's largest exporter of baby canned corn.

France

In France, processed sweet corn production includes canned and frozen product. In 1999, production of CSC is forecast at 153,367 tons, up 2 percent from the previous year, while production of frozen sweet corn is estimated at 29,000 tons. The increase in CSC output is due mainly to an increase in planted area and the growth of the European market.

Consumption of CSC decreased by 65 percent in MY 1998/99 (July-June), because of the European debate on genetically modified organisms (GMOs). Even though sweet corn is not genetically modified in France, some consumers do not trust the product any more. Producers are starting a forceful advertising campaign to inform consumers about the difference between genetically modified corn for animal feeds and non-modified sweet corn.

French exports of CSC declined by 12 percent in MY 1998/99, due mainly to reduced shipments to their top three markets--Germany, Spain, and the United Kingdom. Reduced shipments to the United Kingdom resulted mostly from fears of GMOs. Consumption of frozen vegetables in MY 1998/99 increased by 2.6 and exports rose by 4.7 percent over the previous year.

French production of frozen sweet corn in 1999 is forecast at 28,000 tons, down 2 percent from 1998. French consumption of frozen sweet corn in 1998 declined 10 percent from the previous year because of GMO fears, but is expected to recover somewhat in 1999.

United Kingdom

In the United Kingdom a small amount of sweet corn is produced and consumed on the cob. The United Kingdom has a well developed and relatively stable CSC market, which is predominantly served by producers from France, the United States, Canada, Thailand and Italy.

France continues to be the primary supplier of CSC to the United Kingdom. In 1998, U.K. imports of French CSC totaled 13,496 tons, down 40 percent from 1997, due largely to the debate on GMOs. Imports from the United States, the third leading supplier, were also down by 16 percent in 1998 from the 1997 import volume of 7,799 tons. U.S. CSC had trouble competing in the United Kingdom on price with product from France and Canada. So far, there does not appear to be negative trade or consumer reaction to U.S. CSC imports into the United Kingdom because of GMOs.

Japan

Production of sweet corn for processing in Japan in 1998 totaled 24,050 tons, down 2.4 percent from the previous year due to poor weather conditions. Approximately 51 percent of processed sweet corn production in Japan is made up of frozen kernel corn, and the balance stemmed corn. Frozen kernel corn production increased about 10 percent in 1998, while frozen stemmed corn production declined slightly from the year earlier.

Canned and frozen sweet corn consumption in Japan continues to be fairly well accepted among many families, particularly by young singles and married working couples. Due to a severe decline in consumer spending under the recessionary economy throughout 1998, retail sales of all foods suffered an extensive decline. As Japan's economy begins to show some signs of recovery, consumer spending is also expected to resume growth.

In 1998, Japan's imports of CSC from the United States accounted for approximately 59 percent of all imports, followed by New Zealand and Thailand. During the first 7 months of 1999, Japanese imports of CSC from the United States accounted for 91 percent of the total.

The FAS Attache Report search engine contains reports on processed sweet corn for 4 countries, including the United States, France, Thailand, United Kingdom and Japan. For information on production and trade, contact Emanuel McNeil at 202 720-2083. For information on marketing contact Elizabeth Mello at 202-720-9903.

United States: Production, Supply and Utilization of Sweet Corn

Years	1995	1996	1997	1998
Canned, Net Product Weight:				
Beginning Stocks	415,673	380,388	362,981	285,471
Production 1/	628,749	634,998	593,179	611,181
Imports 2/	9,101	3,878	5,290	8,525
Total Supply	1,053,523	1,019,264	961,450	905,177
Exports 2/	162,234	177,695	193,667	187,730
Ending Stocks	380,388	362,981	236,631	249,835
Domestic Utilization	510,901	478,588	531,152	467,612
Frozen, Net Product Weight:				
Beginning Stocks	220,152	226,172	222,395	241,606
Production 3/	396,489	385,676	420,000	390,188
Imports 2/	8,764	10,114	12,372	13,987
Total Supply	625,405	621,962	654,767	645,781
Exports 2/	61,344	57,326	72,229	73,606
Ending Stocks	226,172	57,326	241,606	240,674
Domestic Utilization	337,889	342,241	340,932	331,501
Fresh, Farm Weight:				
Beginning Stocks	0	0	0	0
Production	970,643	1,030,426	1,072,339	1,124,820
Imports	7,038	10,659	10,454	18,143
Total Supply	977,681	1,041,085	1,061,885	1,142,963
Exports	49,665	41,371	52,404	42,445
Ending Stocks	0	0	0	0
Domestic Utilization	928,016	999,714	1,009,481	1,100,518

Source: Economic Research Service (ERS). 1/ Converted from farm weight equivalent to net product weight by using a factor of 2.463. 2/ U.S. Department of Commerce, Bureau of the Census. 3/ Converted from farm weight equivalent to net weight by using a factor of 3.7.

United States: Exports of Fresh, Canned and Frozen Sweet Corn, Calendar Year (Metric tons)

Commodity/ Destination	1995	1996	1997	1998	Jan-Sept 1999
Total Fresh:	49,665	41,371	52,404	42,445	38,177
Canada	33,395	34,286	34,075	32,338	36,209
Japan	11,416	2,401	207	380	176
United Kingdom	1,620	1,079	2,339	1,920	852
Mexico	225	441	495	1,835	249
Switzerland	148	185	96	0	48
Others	2,861	2,979	15,192	5,972	643
Total Canned:	162,234	177,695	193,667	187,730	128,725
Asia:	96,207	115,843	126,897	111,716	78,425
Japan	51,012	55,532	60,220	61,214	40,984
Taiwan	14,951	20,801	24,101	27,314	18,102
Korea	9,571	10,721	19,795	11,944	11,488
United Kingdom	14,938	12,931	13,210	11,867	7,907
Netherlands	4,021	4,283	4,434	16,960	11,420
Germany	19,370	13,880	14,472	12,813	2,493
Mexico	2,594	2,647	3,516	5,153	3,343
Sweden	2,739	4,949	3,759	3,646	2,757
Canada	1,953	1,830	2,173	2,169	1,469
Norway	3,114	5,221	6,545	5,842	6,067
Others	17,298	16,111	18,661	17,564	14,844
Total Frozen:	61,118	57,303	72,257	73,606	54,953
Asia:	44,256	46,210	53,582	52,680	38,571
Japan	38,077	39,025	44,923	44,141	31,319
Taiwan	1,827	1,262	1,871	1,279	1,245
Hong Kong	3,575	4,919	5,237	5,111	3,408
Australia	2,578	485	759	2,483	1,270
Canada	3,408	3,336	4,788	3,044	2,979
Mexico	1,851	847	3,017	2,994	1,336
EU-15	2,747	1,287	3,820	5,107	3,387
Others	6,278	5,138	6,291	7,298	7,410

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

United States: Imports of Fresh, Canned and Frozen Sweet Corn, Calendar Year
Metric tons

Commodity/ Origin	1995	1996	1997	1998	Jan-Sept 1999
Total Fresh:	15,753	20,748	22,698	18,143	21,093
Mexico	6,124	9,510	9,841	15,690	19,472
Canada	9,102	11,012	12,378	2,415	1,598
Others	527	226	479	38	23
Total Canned:	9,101	3,878	5,290	8,525	6,673
Thailand	5,788	2,056	1,318	1,561	1,102
Canada	2,267	1,496	3,565	6,935	5,562
Indonesia	208	16	31	26	0
Others	838	310	376	3	9
Total Frozen:	8,764	10,114	12,372	13,987	8,225
Canada	8,305	9,612	11,753	13,231	8,030
Mexico	118	231	350	114	79
Others	341	502	269	642	116

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