



THE US MARKET FOR EGGPLANT

Market Brief #12

INTRODUCTION

Eggplant (*Solanum melangena*), a member of the Solanaceae family, is appreciated for its flavor and widely used in across consumer segments in the US. It is grown throughout the tropics, subtropics and the warm temperate regions. The young and almost mature fruits are used as a vegetable in a wide array of preparations. They may be roasted, fried, broiled, stuffed, cooked as curry, pickled, grilled or prepared in some other manner. The most widely consumed varieties are egg-shaped while a number of other types of eggplant tend to supply specialty channels.

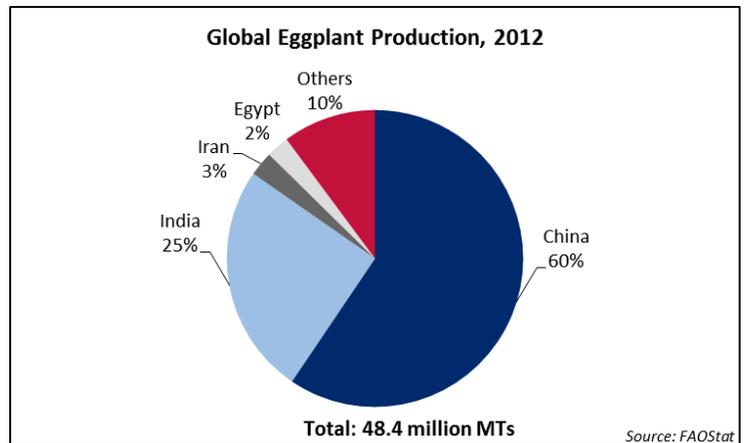


There are a variety of cultivars offered by the major seed companies in the US. Some of the more common are Black Beauty, Black Bell, Classic, and Florida. Other specialties include the baby eggplant as well as the Asian varieties Opo or Japanese eggplant and Chinese eggplant. Japanese eggplant is dark purple to black in color, small (around 6 inches in length) and round. Chinese eggplant is thin, purple, and shiny, with length of 8-10 inches. Although the demand from gourmet consumers for these Asian varieties remains low, they are commonly supplied by Central American producers to ethnic wholesalers in the US. The main variety of eggplant consumed in the US measures 3 to 10 inches in size, is pear-shaped, and purple. Quality eggplants are always heavy and smooth in texture.

PRODUCTION

Eggplant production is dominated by Asian countries, with minor production occurring in the US, Mexico, and Central America. In 2012, worldwide production totaled 48.4 million MTs, with China accounting for 60% (or 28.8 million MTs) of production, India 25% (12.2 million MTs), Iran 3% (1.3 million MTs) and Egypt 2% (1.1 million MTs). In 2012, US production totaled 65,000 MTs.

US production is concentrated in a few states during the summer including California, Florida, Georgia, New Jersey, and New York. The majority of US production takes place between June and October. Between 2009 and 2012, US domestic production decreased from 72,630 MTs to 65,000 MTs. From 2000 to 2012, California's production increased from 11,000 MTs to 16,000 MTs¹. However, output has been stagnant since 2007 when Californian produced roughly 20,600 MTs. In 2013, the US exported 11,891 MTs of eggplant, almost entirely to Canada.



¹ USDA-ERS: Vegetables and Pulses Yearbook, 2014
http://www.ers.usda.gov/datafiles/Vegetable_and_Pulses_Yearbook_Tables/Specialty%20Vegetables/YRBK2014_Section%209_Specialty.pdf

US MARKET

According to the USDA², approximately 97% of US production goes to the fresh market while the remainder is used for processed products such as frozen entrees and specialty dips and appetizers

In 2013, the US imported 66,177 MTs of eggplant valued at \$61.8 million. This represented an increase of 3 percent by volume from 2010, when imports totaled 64,297 MTs valued at \$64.4 million. Imports have been above 64,000 MTs over the last four years with the exception of 2011, when volumes fell to 52,157 MTs.

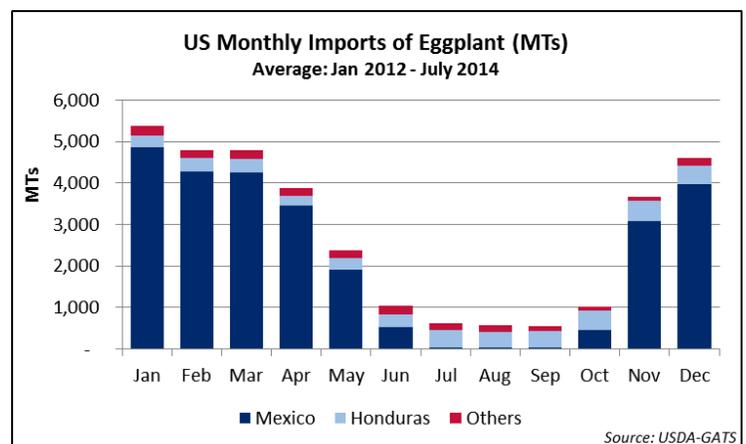
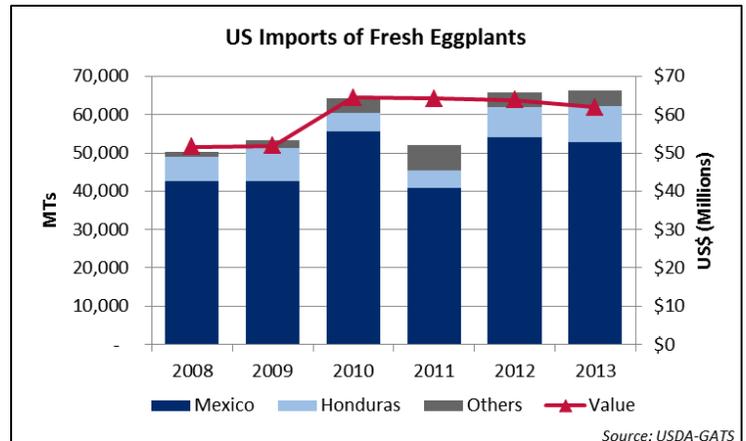
SUPPLIERS

Mexico is the largest supplier of fresh eggplant to the US market, enjoying 80 percent import market share by volume in 2013. In 2009, Mexico's import share dipped slightly below 80 percent but recovered the following years.

Honduras is the second largest supplier of eggplant to the US, with shipments of 9,476 MTs in 2013 valued at \$5 million. In general, Honduras' market share by volume hovers around 14 percent, but in 2010 and 2011 this market share declined to 8. In 2010, this decline was partly attributed to increased imports from Mexico (87 percent market share in 2010), whereas in 2011 the Dominican Republic consumed market share (DR had a 6 percent market share in 2011 versus their average of 1 percent).

Guatemala has been steadily increasing its exports over the last five years, from just 80 MTs valued at \$112,000 in 2009, to 1,478 MTs valued at \$1.8 million in 2013. Since 2011, the country has exported at least 1,200 MTs of eggplants per year to the US.

Other small suppliers include Canada, the Netherlands, the Dominican Republic, and Spain.



US Imports of Eggplants, Fresh

Suppliers	2008		2009		2010		2011		2012		2013	
	MTs	\$000s										
Mexico	42,535	\$45,323	42,684	\$42,581	55,619	\$53,408	40,981	\$49,342	54,059	\$52,027	52,763	\$48,777
Honduras	6,469	\$2,694	8,693	\$4,722	4,930	\$2,740	4,353	\$2,789	8,019	\$4,719	9,476	\$5,045
Canada	628	\$1,543	887	\$2,178	1,454	\$4,114	1,198	\$3,442	1,274	\$3,930	1,330	\$4,045
Netherlands	382	\$1,363	446	\$1,468	667	\$2,326	1,059	\$3,628	460	\$1,436	635	\$1,838
Guatemala	-	\$0	80	\$112	617	\$427	1,236	\$765	1,222	\$653	1,465	\$1,181
Others	342	\$635	429	\$789	1,011	\$1,399	3,331	\$4,181	835	\$1,033	508	\$984
Total	50,357	\$51,558	53,218	\$51,851	64,297	\$64,414	52,157	\$64,147	65,868	\$63,797	66,177	\$61,869

Source: USDA-GATS, HS Code 709302000, 709304000

² USDA-ERS: Vegetables, Potatoes, and Melons Harvested for Sale: 2007 and 2002, 2007 Census of Agriculture, NASS, USDA, 2013 http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1_Chapter_1_US/st99_1_038_038.pdf

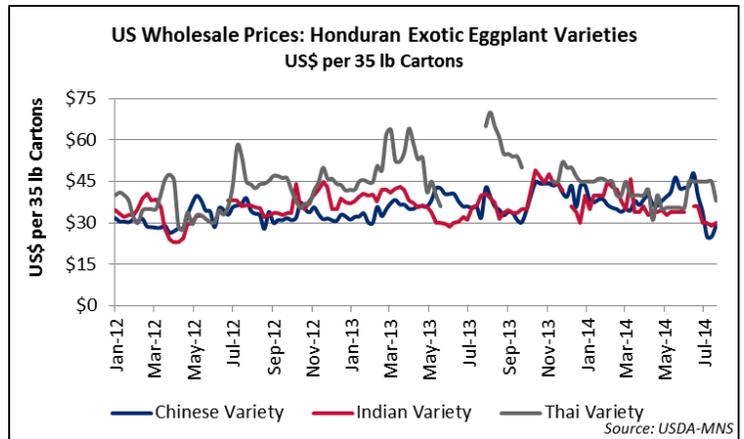
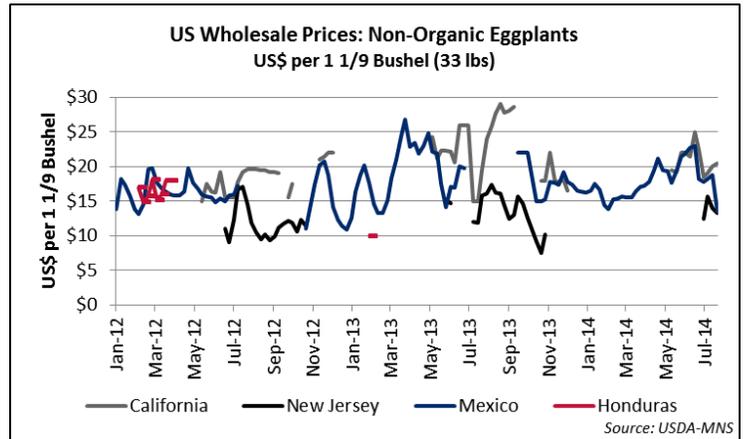
SEASONALITY

Producers from Florida tend to dominate the market from late winter to late spring, until product from North Carolina, Georgia and New Jersey arrives and continues through summer. Mexico supplies the US market primarily during the late fall and winter, with import volumes at their highest from December to April and peaking in January. On average, Mexican supplies over 3,000 MTs per month from November to April and virtually disappears (exports <50 MTs per month) from the market during the July to September timeframe. From July to October, Honduras overtakes Mexico as the top US supplier. However, Honduran supplies peak in November and December, but are still overshadowed by Mexican exports during that time.

PRICES

Honduras supplies a number of different eggplant varieties to the US market, from exotics (e.g. Chinese, Indian, and Thai eggplant types) to the common eggplant. US wholesale prices for the common eggplant are generally priced in units of 1-1/9 bushels, equal to 33 pounds. From January 2012 to July 2014, US wholesale prices for non-organic eggplants by supplier where as follows:

- Californian origin: Average US wholesale price of US\$20.52 per 1-1/9 bushel, with a peak of US\$29.13 in August 2013 and a low of US\$15 in May 2012.
- New Jersey origin: Average price of US\$12.79 per 1-1/9 bushel, with a peak of US\$17.38 in August 2013 and a low of US\$7.50 in October 2013
- Mexican origin: Average price of US\$17.51 per 1-1/9 bushel, with a peak of US\$26.77 in March 2013 and a low of US\$10.94 in December 2012
- Honduran origin: Average prices of US\$15.88 per 1-1/9 bushel, with a peak of US\$18.08 in March 2012 and a low of US\$10 in February 2013



Exotic eggplants are typically priced in 35 lb cartons. From January 2012 to July 2014, US wholesale prices for Honduran exotic eggplants were as followed:

- Chinese variety: Average US wholesale price of US\$35.34 per 35 lb carton, with a peak of US\$48 in June 2014 and a low of US\$25 in July 2014
- Indian variety: Average price of US\$36.70 per 35 lb carton, with a peak of US\$49 in October 2013 and a low of US\$23 in April 2012.
- Thai variety: Average price of US\$43.81 per 35 lb carton, with a peak of US\$70 in August 2013 and a low of US\$27.50 in April 2012

STANDARDS, LAWS AND REGULATIONS

Tariffs.

Mexico, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic enjoy duty-free entry as a result of preferential trading agreements (NAFTA and CAFTA-DR³).

³ CAFTA-DR: <http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta>

For countries with Most Favored Nation (MFN) status the tariff rate is 2.6 cents per kg on the CIF value of the product for shipments entering April 1 – November 30, and 1.9 cents per kg at all other times. For all other countries tariffs are 3.3 cents per kg throughout the year.

Phytosanitary requirements. Eggplants are permitted entry to the US from most Latin American and Caribbean producers without special treatments or geographic restrictions. Mexican shipments are eligible for expedited release at Texas, Arizona, New Mexico and California ports under the Border Cargo Release Program of the USDA Animal and Plant Health Inspection Service.

Grades and Standards. There are three grades for eggplant as established by USDA⁴:

- US Fancy: eggplants must have similar varietal characteristics, they must be well colored, firm, clean and well-shaped. Produce must be free from decay and worm holes, as well as from injury caused by scars, freezing, disease, insects, mechanical or other means.
- US No. 1: eggplants must have similar varietal characteristics: firm, clean, and free from decay and worm holes. They must be fairly well colored, which means they have to have even coloration, but may have some streaks of green in them, and fairly well shaped, which means they may have some abnormal shaping, but not to the point of deformity.
- US No. 2: eggplants must be firm and free from decay and from serious damage caused by freezing, disease, insects, or mechanical or other means.

Packing. Eggplants typically come wrapped, in 1 1/9 bushel crates or cartons, with a weight of 33 lbs.

Postharvest handling. Eggplants should be cut from the stem with a sharp knife or clippers, quality product is firm, heavy (in relation to size), and free of cuts and scars. It is too delicate to be run across a grading line, so it is packed in the field for marketing, sorted by size. The stems may puncture other fruits, therefore individual wrapping is recommended. When harvested in hot weather, the product must be pre cooled to 50° F. If this is properly done, it will have a shelf life of 7 to 10 days. During cold storage, relative humidity of 90 percent is necessary to prevent shriveling and loss of color quality.

OUTLOOK

Except for a decline in 2011, US eggplant import volumes and value remained high and stable for the past four years, with 2010 and 2012 production and import volumes slightly mirroring each other. The US consumer base for this vegetable is large, owing to the fact that it figures prominently in North American, Mediterranean, Asian, and Middle Eastern diets. From 2000 to 2011, in the US per capita consumption of eggplants increased from .81 pounds to .89 pounds⁵. The vegetables can be prepared a number of ways, including fried, grilled, baked, stuffed, or cooked whole in the case of the smaller varieties.

While there is significant demand for eggplant in the US, the market is well supplied by local producers such as Florida, Georgia and New Jersey during the warm season and Mexico during the winter. New suppliers that wish to enter this market should avoid the period between late May and early July, when domestic product is available from southern producers at low prices.

Weather complications and periodic chills in late winter / early spring make it possible to compete with southern Florida producers at the end of the Mexican season. It should also be noted that exporters of the Asian varieties of eggplant are competing in a small market niche, one that does not follow the tendencies of the main varieties as many of its suppliers are given to “speculative” behavior.

⁴ United States Grades and Standards of Eggplants: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5050264>

⁵ USDA Vegetables and Melons Yearbook: <http://usda.mannlib.cornell.edu/usda/ers/89011/89011.pdf>