



International Trade in Chile Peppers: Data from the Global Trade Atlas

College of Agriculture and Home Economics
Cooperative Extension Service
Agricultural Experiment Station

In November 1998, the New Mexico Chile Task Force was formed to identify and implement ways to keep chile pepper production profitable in New Mexico and to maintain and enhance the research and development partnership between the New Mexico chile industry and New Mexico State University.

Chile Task Force reports will be issued periodically to consider issues of concern to the industry and to document the Task Force's progress in developing techniques and technologies to improve industry competitiveness in the 21st century global trade environment.



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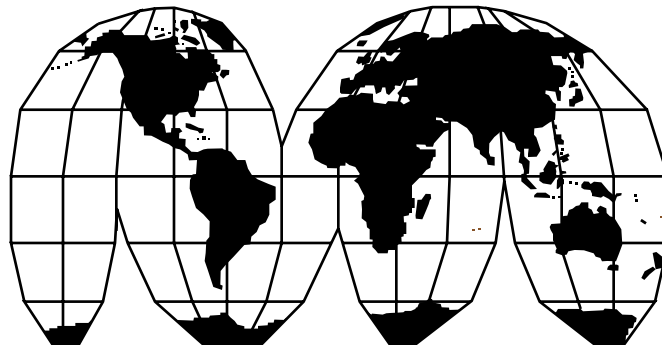


International Trade in Chile Peppers: Data from the Global Trade Atlas® 1,2

By Leslee Morris and Rhonda Skaggs³

What is this report's objective?

This report's objective is to address questions that have been raised by members of the New Mexico Chile Task Force. Since the task force's inception in 1998, questions have arisen about international trade in Chile peppers and pepper products. However, limited data about international trade in peppers and pepper products were available to address these questions. In 2003, the task force purchased a proprietary data product that is the best resource available for addressing multilateral international trade questions.



What data are presented in this report?

Multilateral trade data for 2002 are presented.

Researchers obtained this data from the Global Trade Atlas®, sold by Global Trade Information Services, Inc. (GTIS).

What is Global Trade Information Services, Inc. (GTIS)?

GTIS obtains and processes official merchandise trade data from 45 countries and sells access to it through interactive databases posted on the company's Internet site. GTIS provides subscribers with a username and password, allowing them access to the databases. GTIS corporate headquarters are in Columbia, S.C. The company also has offices in Washington, D.C., Paris and Tokyo.

¹This report was reviewed by Octavio Ramirez, department head, and James Libbin, professor, Department of Agricultural Economics and Agricultural Business; Rich Phillips, project manager, New Mexico Chile Task Force, all with New Mexico State University; and Dino Cervantes, general manager, Cervantes Enterprises Inc., Vado, N.M.

²This publication was prepared with financial support from the New Mexico Chile Task Force and the New Mexico Agricultural Experiment Station. It was prepared by Leslee Morris, in partial fulfillment of requirements for the Master of Agriculture–Agribusiness degree, under the direction of Rhonda Skaggs.

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Where does GTIS obtain trade data?

GTIS uses official data from the reporting countries (table 1). These data are usually provided by customs or national statistics agencies. The availability of historical data for these countries varies but usually goes back to 1995 or 1996. The 45 countries covered by GTIS account for more than 95 percent of world trade.

Table 1. Countries reporting trade data to GTIS, Inc.

Region	Country	Region	Country	
Africa	South Africa	Other Europe	Poland Russia Turkey	
East Asia and Pacific	Australia		European Free Trade Association	Iceland Norway Switzerland
	China	North America		Canada Mexico United States
	Hong Kong			South America
	Indonesia			
Japan				
Malaysia				
New Zealand				
Philippines				
South Korea				
Taiwan				
European Union	Austria			
	Belgium			
	Denmark			
	Finland			
	France			
	Germany			
	Greece			
	Ireland			
	Italy			
	Luxembourg			
	Netherlands			
	Portugal			
	Spain			
	Sweden			
United Kingdom				
EU Total - External Trade				

How are the Global Trade Atlas® data organized?

The GTIS data include information on value, quantity, unit price, reporting country and trading partner country for both exports and imports classified in the Harmonized Tariff System (HTS). Trade data are available at the two-digit, four-digit and six-digit levels, down to the most detailed levels provided by each country. Data for a few countries and/or a few products are available at eight-digit and 10-digit levels in the GTIS product.

What is the Harmonized Tariff System (HTS)?

The HTS is a method for classifying both exports and imports. It is based on the metric standard and uses a series of digits, or codes, to classify products. HTS codes can have up to 10 digits. The greater the number of digits, the more detailed the product description and the less aggregated the data. HTS codes are harmonized internationally at the eight-digit level. This means that eight-digit codes are the same for all countries, but 10-digit codes are often different between countries. For a more detailed explanation of the HTS, see *U. S. Imports and Exports of Chile Peppers and Pepper Products: Frequently Asked Questions*, New Mexico Chile Task Force Report 15, available on the Web at www.chiletaskforce.org. The complete Harmonized Tariff Schedule of the United States is available from the U.S. International Trade Commission at hotdocs.usitc.gov/tariff_chapters_current/toc.html.

What HTS codes are covered in this report?

Multilateral import and export data are reported here for the following HTS codes:

070960—Fruits of the genus *Capsicum* (peppers) or of the genus *Pimenta* (e.g., allspice), fresh or chilled. This code includes peppers produced in greenhouses and an “other” category.

090420—Fruits of the genus *Capsicum* (including cayenne pepper, paprika and red pepper) or of the genus *Pimenta* (including allspice), dried, crushed or ground.

Why are multilateral data presented here for only two HTS codes?

The Global Trade Atlas® contains very few multilateral data for fresh or chile pepper products classified at a higher level than the six-digit level.

How much did the Chile Task Force pay to access the GTIS data?

New Mexico State University (NMSU) researchers first accessed GTIS data in summer 2003, at a cost of \$1,650. Data were downloaded over a period of three weeks. In early 2004, the GTIS database was reactivated at no additional cost. Researchers in NMSU’s Department of Agricultural Economics and Agricultural Business committed to purchase an additional subscription to the database in 2004.

Where can I find information about the many countries that import or export chile pepper products?

An excellent resource for information about the many countries that appear as importers and/or exporters in the Global Trade Atlas® is The World Factbook. This resource is published by the U.S. Central Intelligence Agency and is available online at www.cia.gov/cia/publications/factbook/

What is a FTZ?

FTZ is the abbreviation for free trade zone. On the GTIS import and export data matrices, FTZs are listed as either importers or exporters. A free trade zone is a port or an area designated by the government of a country for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed or used for manufacturing within the zone and re-exported without duties. The FTZs included in the chile pepper import/export matrices are in Turkey.

Other than FTZs, what other unusual import sources or export destinations are shown in the matrices?

The import and export matrices include the following terms: bunkering, stores and provisions. These terms cover items taken onto a ship for use on the ship.

Why are chile pepper and pepper products shown being exported from several countries that don't produce significant quantities of peppers?

The pepper product export matrices (070960 and 090420) show large quantities of exports from several European countries. These countries are the site of significant transshipping of peppers and pepper products. Europe is the intermediate destination of the peppers and pepper products produced elsewhere. Many of the peppers and pepper products are ultimately shipped to a third country final destination. These peppers and pepper products are double-counted in the trade data reported here.

How do I access the GTIS multilateral pepper and pepper product matrices?

The matrices used in this report can be downloaded from the New Mexico Chile Task Force Web site (www.chiletaskforce.org). The four matrix files (all in Microsoft Excel™ worksheets) are 070960 Exporting Matrix, 070960 Importing Matrix, 090420 Exporting Matrix, and 090420 Importing Matrix.

How were the data in the import and export matrix files compiled?

The Global Trade Atlas® data are organized by reporting country. To construct the matrices, import and export data for each reporting country for each HTS code were saved in individual Excel™ worksheet files. Each column in each of the four matrix files represents a separate data file. The four matrix files are a compilation of 180 individual data files.

Exporting country



Importing Countries	Units	South Africa	Australia	China	Hong Kong	India	Indonesia	Japan	Korea South	Malaysia	New Zealand
World	kg	7,300,755	42,788	91,618,085	250,055	73,593,381	450,488	90,084	1,110,799	13,916,523	3,992
Afghanistan	kg										
Albania	kg										
Algeria	kg										
American Samoa	kg										12
Andorra	kg										
Angola	kg	419,363									
Anguilla	kg										
Antigua & Barbuda	kg										
Argentina	kg	0		0		0			0		

This sample portion of an export matrix shows that South Africa has exported to Angola 419,363 kilograms of 090420 Fruits of genus *Capsicum* (including cayenne pepper, paprika or red pepper), or the genus *Pimenta* (including allspice) dried, crushed or ground. In 2002, South Africa exported a total of 7,300,755 kilograms of this commodity to all the importing countries in the first column of which only a portion is shown on this matrix segment.

Figure 1. Exporting countries of commodity 090420 Fruits of the genus *Capsicum*, or the genus *Pimenta* dried, crushed or ground.

For what can the import and export matrices be used?

These matrices provide previously unavailable information about international trade in chile peppers and pepper products. The multilateral data provide insight into products' international movements that are important to the New Mexico agricultural sector and the state's overall economy. The data can inform users about the current status of markets, help to forecast potential market changes, and thus help predict where markets are headed. This information can be used to influence trade policies (i.e., to develop trade complaints).

To whom is this information important?

This information can be beneficial to the entire New Mexico and southwestern United States chile pepper industries (both producers and processors). Ninety percent of United States chile pepper harvested acreage is located in New Mexico, Arizona and Texas, with 60% located in New Mexico. (U.S. Department of Agriculture, National Agricultural Statistics Service, 2003). The southwestern chile pepper industry is directly affected by international trade trends and events. It is imperative that industry members be better informed about international trade in peppers and pepper products.

Exporting country		Importing country									
Exporting Countries	Units	South Africa	Australia	China	Hong Kong	India	Indonesia	Japan	Korea South	Malaysia	New Zealand
World	kg	2,276,877	1,926,550	656,833	1,181,229	1,117,256	7,315,823	9,962,367	7,847,771	40,140,335	432,858
Afghanistan	kg										
Albania	kg										
Algeria	kg										
Andorra	kg										12
Angola	kg										
Anguilla	kg	419,363									
Antigua & Barbuda	kg										
Argentina	kg										
Armenia	kg										
Aruba	kg										
Australia	kg			256		1,940	424	0	40	756	161,292
Austria	kg	0	1,080	0			0				13
Azerbaijan	kg										
Bahamas	kg										

In this example, Australia has exported to India 1,940 kilograms of 090420 Fruits of genus *Capsicum* (including cayenne pepper, paprika and red pepper), or the genus *Pimenta* (including allspice) dried, crushed or ground. In 2002, India imported a total of 1,117,256 kilograms of this commodity from all the countries listed in the first column, of which only a portion is shown on the sample matrix.

Figure 2. Importing countries of commodity 090420 Fruits of the genus *Capsicum* or the genus *Pimenta* dried, crushed or ground.

How do you read the import and export matrices?

The export and import matrices are set up differently. The export matrices (fig. 1) have exporting countries running along the top (horizontally), with importing countries running down the far left side (vertically). The far left column of importing countries is arranged alphabetically. The row of exporting countries is sorted by continent or general region. To find a quantity of a commodity exported to a specific country, locate the exporting country. Then find the importing country on the far left side of the matrix. Proceed to the right following that row until the row and the column meet. In that space will be the amount of product exported to the specified importing country.

On import matrices (fig. 2), the importing countries run across the top (horizontally), while the exporting countries are listed in the left hand column. The column of exporting countries is arranged alphabetically. The row of importing countries is sorted by continent or general region. To find a specific quantity of a commodity imported by a specific country, first locate the importing country. Next, find the exporting country in the far left column of the matrix. Once both countries have been located, proceed inward and downward into the matrix until the two columns meet. At the intersection will be the quantity of product traded.

What if I have questions about the data in these matrices?

If you have questions about this report, please contact the New Mexico Chile Task Force at (505) 646-2353.

References

- Morris, L. and Skaggs, R. (2004). *U.S. Imports and Exports of Chile Peppers and Pepper Products: Frequently Asked Questions*. New Mexico Chile Task Force Report 15. Las Cruces: New Mexico State University. In press.
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New Mexico Chile Task Force Publication List

- Report 1:** An Industry-University Response to Global Competition
- Report 2:** Chile Seed Germination as Affected by Temperature and Salinity
- Report 3:** Yield and Quality of Machine-Harvested Red Chile Peppers
- Report 4:** Chile Seed Quality
- Report 5:** Guidelines for Chile Seed Crop Production
- Report 6:** Improving Chile Harvesting and Cleaning Technologies
- Report 7:** Farm Labor Employers' Handbook
- Report 8:** New Mexico's Chile Pepper Industry: Chile Types and Product Sourcing
- Report 9:** Economic Impact of Southern New Mexico Vegetable Production and Processing
- Report 10:** Chile Pepper Growers' Notes: 2003
- Report 11:** Developing New Marketing Strategies for the Southwestern Chile Industry
- Report 12:** Incidence of the Beet Leafhopper, *Circulifer tenellus* (Homoptera:Cicadellidae), in New Mexico Chile
- Report 13:** Plant Spacing/Plant Population for Machine Harvest
- Report 14:** Economic Return to Adoption of Mechanical Thinning: The Case of New Mexico Chile
- Report 15:** U.S. Imports and Exports of Chile Peppers and Pepper Products: Frequently Asked Questions
- Report 16:** International Trade in Chile Peppers: Data from the Global Trade Atlas



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