

RUM: ANNUAL REPORT (Covering 1987 and 1988) ON SELECTED ECONOMIC INDICATORS

Report to the Senate Committee
on Finance, on Investigation
No. 332-175 Under Section 332
of the Tariff Act of 1930



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Washington, DC 20436

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This report was prepared principally by

William A. Lipovsky
Agriculture Crops and Products Branch
Agriculture Division

Address all communications to
Kenneth R. Mason, Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

PREFACE

On January 13, 1984, at the request of the Chairman of the Committee on Finance, U.S. Senate, and in accordance with the provisions of section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the United States International Trade Commission instituted investigation No. 332-175, Rum: Annual Report on Selected Economic Indicators. The purpose of the report is to gather and compile data on the rum industry from public sources and report such data to the Committee on an annual basis.

The report, as requested by the Finance Committee, contains the following statistical information on rum: (1) U.S. production; (2) U.S. exports; (3) imports for consumption (total and by countries designated as eligible for the Caribbean Basin Initiative (CBI)); (4) apparent U.S. consumption; and (5) shipments from Puerto Rico and the U.S. Virgin Islands to the United States.

The fifth annual report covers 1987 and 1988. Subsequent reports will be issued on a calendar-year basis as long as rum is accorded duty-free treatment pursuant to the Caribbean Basin Economic Recovery Act; the next report covering calendar year 1989 will be issued in May 1990.

C O N T E N T S

	<u>Page</u>
Preface.....	i
Highlights.....	1

Tables

1. Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1986-88.....	2
2. Rum: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	3
3. Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	4
4. Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	5
5. Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	6
6. Rum in containers each holding over 1 gallon, valued over \$2.00 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	7
7. Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988.....	8
8. Rum: U.S. exports of domestic merchandise, by principal markets, 1987 and 1988.....	9
9. Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, 1987 and 1988.....	10

HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1987 and 1988.

- o For 1988, U.S. production of rum increased to 23.9 million proof gallons, 1 percent higher than the amount produced in 1987.
- o U.S. exports of rum rose by 54 percent during the 2 years and the value of such exports increased from \$3.0 million to \$3.4 million.
- o For 1988, imports of rum amounted to 822,362 proof gallons, valued at \$7.0 million, compared with nearly 1.0 million proof gallons, valued at \$7.2 million, in 1987.
- o Rum imports from CBI eligible countries accounted for 90 percent of the value of total rum imports during 1988, and rum imports from Jamaica made up 52 percent of the total value of U.S. rum imports from CBI countries. During 1987, the share of total import value supplied by CBI countries was 85 percent and Jamaica accounted for 63 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in 1988 amounted to 25.0 million proof gallons, 3 percent higher than in 1987. The import-to-consumption ratio was 3.3 percent in 1988, compared with 4.0 percent in 1987.
- o Rum shipments from Puerto Rico to the United States declined from 21.8 million proof gallons in 1987 to 20.0 million proof gallons in 1988. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States increased from 1.7 million proof gallons to 2.1 million proof gallons.

Table 1.

Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1986-88

(Quantity in thousands of proof gallons; value in thousands of dollars; unit value per proof gallon)

Year	Production 1/	Exports	Imports	Apparent consumption 2/	Ratio (percent of imports to consumption)
Quantity					
1986....	23,993	385	1,425	26,263	5.4
1987....	23,560	530	962	24,249	4.0
1988....	23,913	814	822	25,035	3.3
Value					
1986....	144,680	1,997	9,983	3/	-
1987....	141,125	3,037	7,176	3/	-
1988....	135,587	3,414	6,968	3/	-
Unit value					
1986....	\$6.03	\$5.19	\$7.01	-	-
1987....	5.99	5.73	7.46	-	-
1988....	5.67	4.19	8.47	-	-

1/ Represents rum bottled in the United States, as reported by the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Department of the Treasury, and shipments of bottled rum into the United States from Puerto Rico and the Virgin Islands, reported by the Bureau of the Census of the U.S. Department of Commerce. Value is estimated from the average value of bottled rum shipped to the United States from Puerto Rico and the Virgin Islands.

2/ Adjusted for stock changes as reported by the U.S. Department of the Treasury.

3/ Not available.

Source: Production data compiled from official statistics of the U.S. Department of the Treasury and the U.S. Department of Commerce, with conversions by the staff of the U.S. International Trade Commission; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 2.

Rum: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	552	424
Dominican Republic.....	194	83
Barbados.....	70	216
Haiti.....	21	14
Venezuela.....	9	12
All other.....	11	25
Total of CBI countries.....	857	774
All other.....	105	48
Total.....	962	822
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	3,869	3,283
Dominican Republic.....	1,024	1,188
Barbados.....	646	1,131
Haiti.....	299	222
Venezuela.....	106	256
All other.....	185	207
Total of CBI countries.....	6,129	6,287
All other.....	1,047	681
Total.....	7,176	6,968
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.01	\$7.74
Dominican Republic.....	5.28	14.31
Barbados.....	9.23	5.24
Haiti.....	14.24	15.86
Venezuela.....	11.78	21.33
All other.....	16.82	8.28
Total of CBI countries.....	7.15	8.12
All other.....	9.97	14.25
Total.....	7.46	8.47

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.

Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	72	89
Dominican Republic.....	33	46
Haiti.....	21	14
All other.....	28	50
Total of CBI countries.....	154	198
All other.....	64	49
Total.....	218	242
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	580	1,078
Dominican Republic.....	489	942
Haiti.....	299	222
All other.....	371	661
Total of CBI countries.....	1,739	2,903
All other.....	958	578
Total.....	2,697	3,481
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$8.06	\$12.05
Dominican Republic.....	14.82	20.62
Haiti.....	14.24	15.54
All other.....	13.25	13.22
Average of CBI countries.....	11.29	14.66
All other.....	14.97	13.31
Average.....	12.37	14.39

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.

Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	481	334
Barbados.....	187	205
Dominican Republic.....	36	37
All other.....	0	4
Total of CBI countries.....	704	580
All other.....	39	1
Total.....	743	581
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	3,289	2,205
Barbados.....	942	1,008
Dominican Republic.....	157	246
All other.....	-	24
Total of CBI countries.....	4,391	3,483
All other.....	88	4
Total.....	4,479	3,487
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$6.84	\$6.60
Barbados.....	5.04	4.92
Dominican Republic.....	4.36	6.60
All other.....	-	6.64
Average of CBI countries.....	6.24	6.01
All other.....	2.26	4.00
Average.....	6.03	6.01

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.

Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Dominican Republic.....	5	0
Jamaica.....	0	0
All other.....	0	0
Total of CBI countries.....	5	0
All other.....	27	0
Total.....	32	0
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Dominican Republic.....	13	-
Jamaica.....	-	-
All other.....	-	-
Total of CBI countries.....	13	-
All other.....	41	-
Total.....	54	-
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Dominican Republic.....	\$2.60	-
Jamaica.....	-	-
All other.....	-	-
Average of CBI countries.....	2.60	-
All other.....	1.52	-
Average.....	1.69	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.

Rum in containers each holding over 1 gallon, valued at over \$2 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Dominican Republic.....	11	16
Jamaica.....	22	15
All other.....	0	17
Total of CBI countries.....	33	48
All other.....	9	0
Total.....	42	48
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Dominican Republic.....	26	42
Jamaica.....	48	31
All other.....	-	30
Total of CBI countries.....	74	103
All other.....	21	-
Total.....	95	103
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Dominican Republic.....	\$2.36	\$2.62
Jamaica.....	2.18	2.12
All other.....	-	1.69
Average of CBI countries.....	2.24	2.15
All other.....	2.33	-
Average.....	2.26	2.13

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.

Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	459	319
Barbados.....	187	187
All other.....	19	25
Total of CBI countries.....	665	531
All other.....	3	1
Total.....	668	532
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	3,241	2,174
Barbados.....	942	978
All other.....	120	228
Total of CBI countries.....	4,303	3,380
All other.....	27	4
Total.....	4,330	3,384
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.06	\$6.80
Barbados.....	5.04	5.23
All other.....	6.32	9.12
Average of CBI countries.....	6.47	6.37
All other.....	9.00	4.00
Average.....	6.48	6.36

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.

Rum: U.S. exports of domestic merchandise, by principal markets, 1987 and 1988

Source	1987	1988
	<u>Quantity (1,000 proof gallons)</u>	
Netherlands Antilles.....	88	101
Mexico.....	0	190
Netherlands.....	136	90
Japan.....	35	53
United Kingdom.....	8	58
All other.....	263	321
Total.....	530	814
	<u>Value (1,000 dollars)</u>	
Netherlands Antilles.....	392	556
Mexico.....	-	491
Netherlands.....	1,064	418
Japan.....	147	363
United Kingdom.....	40	220
All other.....	1,394	1,366
Total.....	3,037	3,414
	<u>Unit value (per proof gallon)</u>	
Netherlands Antilles.....	\$4.46	\$5.49
Mexico.....	-	2.59
Netherlands.....	7.82	4.63
Japan.....	4.20	6.79
United Kingdom.....	5.00	3.80
All other.....	5.30	4.25
Total.....	5.73	4.19

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.

Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, 1987 and 1988

(In thousands of proof gallons)

Source	1987	1988
Puerto Rico:		
In containers not over 1 gallon....	4,732	4,506
In containers over 1 gallon.....	17,092	16,445
Total.....	21,824	20,951
U.S. Virgin Islands:		
In containers not over 1 gallon....	2	2
In containers over 1 gallon.....	1,747	2,079
Total.....	1,749	2,081

Source: Compiled from official statistics of the U.S. Department of Commerce.

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